

OFFICERS

OTHERS

DIRECTORS OR TRUSTEES

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	4,581,890		4,581,890	3,096,106
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....6,051,645 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA)	6,051,645		6,051,645	3,043,928
6.	Contract loans (including \$.....0 premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	10,633,535		10,633,535	6,140,034
11.	Title plants less \$.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	70,306		70,306	50,170
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection	1,051,795		1,051,795	
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers				
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans	285,121		285,121	510,045
16.1	Current federal and foreign income tax recoverable and interest thereon				
16.2	Net deferred tax asset				
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software				
19.	Furniture and equipment, including health care delivery assets (\$.....0)				
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates				
22.	Health care (\$.....5,784) and other amounts receivable	10,784	5,000	5,784	
23.	Aggregate write-ins for other than invested assets	53,495	53,495		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	12,105,036	58,495	12,046,541	6,700,249
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	12,105,036	58,495	12,046,541	6,700,249
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Prepaid Expenses	53,495	53,495		
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	53,495	53,495		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	2,841,820		2,841,820	243,979
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	723,464		723,464	504,439
4.	Aggregate health policy reserves	162,070		162,070	
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	86,458		86,458	33,059
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	871,715		871,715	467,175
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured plans	532,515		532,515	
21.	Aggregate write-ins for other liabilities (including \$.....0 current)				
22.	Total liabilities (Lines 1 to 21)	5,218,042		5,218,042	1,248,652
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X	100	100
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	2,989,400	2,989,400
27.	Surplus notes	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
29.	Unassigned funds (surplus)	X X X	X X X	3,838,999	2,462,097
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	6,828,499	5,451,597
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	12,046,541	6,700,249
DETAILS OF WRITE-INS					
2101.	.....			
2102.	.....			
2103.	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	8,752	
2.	Net premium income (including \$.....0 non-health premium income)	X X X	7,113,723	
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	7,113,723	
Hospital and Medical:				
9.	Hospital/medical benefits		3,375,339	
10.	Other professional services		972,290	
11.	Outside referrals			
12.	Emergency room and out-of-area		123,327	
13.	Prescription drugs		513,051	
14.	Aggregate write-ins for other hospital and medical		16,876	
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		5,000,883	
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)		5,000,883	
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....(357,110) cost containment expenses		(349,181)	(283,604)
21.	General administrative expenses		763,851	(224,096)
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		5,415,553	(507,700)
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,698,170	507,700
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		373,643	220,120
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		373,643	220,120
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	2,071,813	727,820
31.	Federal and foreign income taxes incurred	X X X	636,416	247,459
32.	Net income (loss) (Lines 30 minus 31)	X X X	1,435,397	480,361
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Miscellaneous Medical Expense		16,876	
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		16,876	
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	5,451,597	4,956,514
34.	Net income or (loss) from Line 32	1,435,397	480,361
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(58,495)	14,722
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	1,376,902	495,083
49.	Capital and surplus end of reporting year (Line 33 plus 48)	6,828,499	5,451,597
DETAILS OF WRITE-INS			
4701.	.....	.....	.....
4702.	.....	.....	.....
4703.	.....	.....	.....
4798.	Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	.....	.....

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	6,223,998	
2.	Net investment income	347,956	191,918
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	6,571,954	191,918
5.	Benefit and loss related payments	2,467,321	(10,333)
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	(478,101)	(548,687)
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	1,989,220	(559,020)
11.	Net cash from operations (Line 4 minus 10)	4,582,734	750,938
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	1,200,000	1,400,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	1,200,000	1,400,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	2,680,233	1,894,531
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	2,680,233	1,894,531
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,480,233)	(494,531)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(94,784)	(298,618)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(94,784)	(298,618)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	3,007,717	(42,211)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	3,043,928	3,086,139
19.2	End of year (Line 18 plus Line 19.1)	6,051,645	3,043,928

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	7,113,723						7,113,723			
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. Total revenues (Lines 1 to 6)	7,113,723						7,113,723			
8. Hospital/medical benefits	3,375,339						3,375,339			X X X
9. Other professional services	972,290						972,290			X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area	123,327						123,327			X X X
12. Prescription drugs	513,051						513,051			X X X
13. Aggregate write-ins for other hospital and medical	16,876						16,876			X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	5,000,883						5,000,883			X X X
16. Net reinsurance recoveries										X X X
17. Total hospital and medical (Lines 15 minus 16)	5,000,883						5,000,883			X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....(357,110) cost containment expenses	(349,181)						148,028	(497,209)		
20. General administrative expenses	763,851						949,067	(185,216)		
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. Total underwriting deductions (Lines 17 to 22)	5,415,553						6,097,978	(682,425)		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	1,698,170						1,015,745	682,425		
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301. Miscellaneous Medical Expense	16,876						16,876			X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	16,876						16,876			X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare	7,135,080	.....	21,357	7,113,723
7.	Title XIX - Medicaid .....	.....	.....	.....	.....
8.	Other health .....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 through 8)	7,135,080	.....	21,357	7,113,723
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11)	7,135,080	.....	21,357	7,113,723

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	2,412,434						2,432,725	(20,291)		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	2,412,434						2,432,725	(20,291)		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	2,841,820						2,577,550	264,270		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	2,841,820						2,577,550	264,270		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	9,392						9,392			
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	243,979							243,979		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	243,979							243,979		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	5,000,883						5,000,883			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	5,000,883						5,000,883			
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	287,585						287,585			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	287,585						287,585			
2. Incurred but Unreported:										
2.1 Direct	2,554,235						2,289,965	264,270		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	2,554,235						2,289,965	264,270		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	2,841,820						2,577,550	264,270		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	2,841,820						2,577,550	264,270		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	2,432,725	.....	2,577,550	.....	.....
7.	Title XIX - Medicaid	(20,291)	.....	264,270	.....	243,979	243,979
8.	Other health .....	.....	.....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 to 8)	(20,291)	2,432,725	264,270	2,577,550	243,979	243,979
10.	Healthcare receivables (a) .....	.....	9,392	.....	.....	.....	.....
11.	Other non-health .....	.....	.....	.....	.....	.....	.....
12.	Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13.	TOTALS (Lines 9 - 10 + 11 + 12)	(20,291)	2,423,333	264,270	2,577,550	243,979	243,979

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2003	2 2004	3 2005	4 2006	5 2007
1.	Prior	2,553	7,456	7,501	7,491	7,471
2.	2003					
3.	2004	X X X				
4.	2005	X X X	X X X			
5.	2006	X X X	X X X	X X X		
6.	2007	X X X	X X X	X X X	X X X	2,423

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2003	2 2004	3 2005	4 2006	5 2007
1.	Prior	7,735	7,735	7,735	7,735	7,735
2.	2003					
3.	2004	X X X				
4.	2005	X X X	X X X			
5.	2006	X X X	X X X	X X X		
6.	2007	X X X	X X X	X X X	X X X	5,001

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2003	163									
2.	2004										
3.	2005										
4.	2006										
5.	2007	7,114	2,423	115	4.746	2,538	35.676	2,578	33	5,149	72.378

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2003	2 2004	3 2005	4 2006	5 2007
1.	Prior .....	.....	.....	.....	.....	.....
2.	2003 .....	.....	.....	.....	.....	.....
3.	2004	X X X .....	.....	.....	.....	.....
4.	2005	X X X	X X X .....	.....	.....	.....
5.	2006	X X X	X X X	X X X .....	.....	.....
6.	2007	X X X	X X X	X X X	X X X	2,423

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2003	2 2004	3 2005	4 2006	5 2007
1.	Prior .....	.....	.....	.....	.....	.....
2.	2003 .....	.....	.....	.....	.....	.....
3.	2004	X X X .....	.....	.....	.....	.....
4.	2005	X X X	X X X .....	.....	.....	.....
5.	2006	X X X	X X X	X X X .....	.....	.....
6.	2007	X X X	X X X	X X X	X X X	5,001

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2003 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2005 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.	2006 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5.	2007	7,114	2,423	115	4.746	2,538	35.676	2,578	33	5,149	72.378

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2003	2 2004	3 2005	4 2006	5 2007
1.	Prior	2,553	7,456	7,501	7,491	7,471
2.	2003					
3.	2004	X X X				
4.	2005	X X X	X X X			
5.	2006	X X X	X X X	X X X		
6.	2007	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2003	2 2004	3 2005	4 2006	5 2007
1.	Prior	7,735	7,735	7,735	7,735	7,735
2.	2003					
3.	2004	X X X				
4.	2005	X X X	X X X			
5.	2006	X X X	X X X	X X X		
6.	2007	X X X	X X X	X X X	X X X	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2003	163									
2.	2004										
3.	2005										
4.	2006										
5.	2007										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2003	2 2004	3 2005	4 2006	5 2007
1.	Prior					
2.	2003					
3.	2004					
4.	2005					
5.	2006					
6.	2007					

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2003	2 2004	3 2005	4 2006	5 2007
1.	Prior					
2.	2003					
3.	2004					
4.	2005					
5.	2006					
6.	2007					

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2003										
2.	2004										
3.	2005										
4.	2006										
5.	2007										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income	162,070						162,070		
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)	162,070						162,070		
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)	162,070						162,070		
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page ..									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$.....0 for occupancy of own building)	54,265	61,343	174,758		290,366
2. Salaries, wages and other benefits	1,082,677	868,710	3,929,907		5,881,294
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			116,428		116,428
4. Legal fees and expenses			186,199		186,199
5. Certifications and accreditation fees			105,029		105,029
6. Auditing, actuarial and other consulting services			345,817		345,817
7. Traveling expenses			112,592		112,592
8. Marketing and advertising			267,694		267,694
9. Postage, express and telephone		47,546	579,625		627,171
10. Printing and office supplies			424,370		424,370
11. Occupancy, depreciation and amortization					
12. Equipment			214,505		214,505
13. Cost or depreciation of EDP equipment and software	50,059	16,686	344,370		411,115
14. Outsourced services including EDP, claims, and other services	9,083	81,591	19,765		110,439
15. Boards, bureaus and association fees			21,339		21,339
16. Insurance, except on real estate			89,753		89,753
17. Collection and bank service charges			30,840	270	31,110
18. Group service and administration fees					
19. Reimbursements by uninsured plans	(1,632,058)	(1,351,089)	(6,773,023)		(9,756,170)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulator authority licenses and fees			45,889		45,889
23.4 Payroll taxes	70,387	61,557	213,306		345,250
23.5 Other (excluding federal income and real estate taxes)			103,691		103,691
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	8,477	221,585	210,997		441,059
26. Total expenses incurred (Lines 1 to 25)	(357,110)	7,929	763,851	270	(a) 414,940
27. Less expenses unpaid December 31, current year		723,464	333,417		1,056,881
28. Add expenses unpaid December 31, prior year		504,439	417,110		921,549
29. Amounts receivable relating to uninsured plans, prior year	58,178		497,394		555,572
30. Amounts receivable relating to uninsured plans, current year	64,915		318,812		383,727
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	(350,373)	(211,096)	668,962	270	107,763
DETAILS OF WRITE-INS					
2501.Claims Adjustment Expense		219,025			219,025
2502.Recruiting			37,153		37,153
2503.Temporary Help	8,477	2,560	71,832		82,869
2598.Summary of remaining write-ins for Line 25 from overflow page ..			102,012		102,012
2599.Totals (Lines 2501 through 2503 + 2598) (Line 25 above)	8,477	221,585	210,997		441,059

(a) Includes management fees of \$.....9,862,126 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 176,763	..... 181,757
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c).....	
4.	Real estate	(d).....	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e)..... 286,580	..... 301,722
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....		.....
9.	Aggregate write-ins for investment income .....		.....
10.	Total gross investment income .....	..... 463,343	..... 483,479
11.	Investment expenses		(g)..... 270
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		..... 109,566
16.	Total deductions (Lines 11 through 15) .....		..... 109,836
17.	Net Investment income (Line 10 minus Line 16) .....		..... 373,643
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501.	Interest earned on ASO reimbursements forwarded to TennCare .....		..... 109,566
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....		..... 109,566
(a) Includes \$.....8,230 accrual of discount less \$.....2,679 amortization of premium and less \$.....36,920 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....270 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)					
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			
	4.2 Properties occupied for the production of income			
	4.3 Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)			
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued			
13.	Premium and considerations:			
	13.1 Uncollected premiums and agents' balances in the course of collection			
	13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
	13.3 Accrued retrospective premiums			
14.	Reinsurance:			
	14.1 Amounts recoverable from reinsurers			
	14.2 Funds held by or deposited with reinsured companies			
	14.3 Other amounts receivable under reinsurance contracts			
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset			
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software			
19.	Furniture and equipment, including health care delivery assets			
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivables from parent, subsidiaries and affiliates			
22.	Health care and other amounts receivable	5,000		(5,000)
23.	Aggregate write-ins for other than invested assets	53,495		(53,495)
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	58,495		(58,495)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	58,495		(58,495)
DETAILS OF WRITE-INS				
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	Prepaid Expenses	53,495		(53,495)
2302.	.....		
2303.	.....		
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	53,495		(53,495)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6 Current Year Member Months
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1.	Health Maintenance Organizations		562	820	941	945	8,752
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL		562	820	941	945	8,752
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals						
0299998 Premium due and unpaid not individually listed						
0299999 Total group						
0399999 Premiums due and unpaid from Medicare entities	1,051,795					1,051,795
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 13) .	1,051,795					1,051,795

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Unison Administrative Services, LLC	4,393			5,000	5,000	4,393
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed						
0199999 Subtotal - Pharmaceutical Rebate Receivables	4,393			5,000	5,000	4,393
0299998 Claim Overpayment Receivables - Not Individually Listed						
0299999 Subtotal - Claim Overpayment Receivables						
0399998 Loans and Advances to Providers - Not Individually Listed						
0399999 Subtotal - Loans and Advances to Providers						
0499998 Capitation Arrangements Receivables - Not Individually Listed						
0499999 Subtotal - Capitation Arrangements Receivables						
0599998 Risk Sharing Receivables - Not Individually Listed						
0599999 Subtotal - Risk Sharing Receivables						
0699998 Other Receivables - Not Individually Listed	1,173	218				1,391
0699999 Subtotal - Other Receivables	1,173	218				1,391
0799999 Gross health care receivables	5,566	218		5,000	5,000	5,784

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)
Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
Rx America	40,409					40,409
0199999 Total - Individually Listed Claims Unpaid	40,409					40,409
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	230,114	17,062				247,176
0499999 Subtotals	270,523	17,062				287,585
0599999 Unreported claims and other claim reserves						2,554,235
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						2,841,820
0899999 Accrued Medical Incentive Pool and Bonus Amounts						

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
Individually listed receivables							
Unison Administrative Services, LLC.	41,100					41,100	
0199999 Total - Individually listed receivables	41,100					41,100	
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable	41,100					41,100	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Individually listed payables				
Three Rivers Holdings, Inc.	Tax Allocation Agreement	624,756	624,756	
Unison Administrative Services, LLC	Operations Outsourcing Agreements	288,059	288,059	
0199999 Total - Individually listed payables	X X X	912,815	912,815	
0299999 Payables not individually listed	X X X			
0399999 Total gross payables	X X X	912,815	912,815	

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

	1	2	3	4	5	6
Payment Method	Direct Medical Expense Payment	Column 1 as a % of Total Payments	Total Members Covered	Column 3 as a % of Total Members	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups						
2. Intermediaries						
3. All other providers						
4. Total capitation payments						
Other Payments:						
5. Fee-for-service			X X X	X X X		
6. Contractual fee payments	2,403,042	100.000	X X X	X X X		2,403,042
7. Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9. Non-contingent salaries			X X X	X X X		
10. Aggregate cost arrangements			X X X	X X X		
11. All other payments			X X X	X X X		
12. Total other payments	2,403,042	100.000	X X X	X X X		2,403,042
13. Total (Line 4 plus Line 12)	2,403,042	100.000	X X X	X X X		2,403,042

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
NONE					
9999999			X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

		1	2	3	4	5	6
Description		Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1.	Administrative furniture and equipment .....	.....	.....	.....	.....	.....	.....
2.	Medical furniture, equipment and fixtures	N O N E		.....	.....	.....	.....
3.	Pharmaceuticals and surgical supplies .....			.....	.....	.....	.....
4.	Durable medical equipment .....			.....	.....	.....	.....
5.	Other property and equipment .....			.....	.....	.....	.....
6.	Total .....	.....	.....	.....	.....	.....	.....

Notes to Financial Statement

1. Summary of Significant Accounting Policies:

A. The accompanying statement has been prepared in conformity with the NAIC *Accounting Practices and Procedures manual* as required by the State of Tennessee, except where NAIC statutory accounting practices and procedures do not address the accounting for the transaction.

(1) Unison Health Plan of Tennessee, Inc.'s (the Company) sole shareholder, Three Rivers Holdings, Inc. (Holdings), has made an election to be treated as an S corporation for federal and state income tax purposes and it has made an election to treat the Company as a qualified subchapter S subsidiary for federal income tax purposes. As a result of the QSST election, the Company is treated as a division of Holdings for income tax purposes and the results of its operations are included in the Holdings' income tax returns. Pursuant to a Tax Allocation Agreement with Holdings, the Company is required to reimburse Holdings for income tax liability Holdings' shareholders incur with respect to the Company's operations. The amount reimbursed is calculated to equal the federal income tax that the Company would have paid if it were a C corporation filing separate income tax returns. NAIC statutory accounting practices and procedures do not address the accounting for this type of transaction. Pursuant to correspondence received from the State of Tennessee, Department of Commerce and Insurance, TennCare Division, dated April 17, 2003, the Company has been granted permission to report shareholder reimbursement of taxes as Provision for Federal Income Taxes on the Statement of Revenue and Expenses (page 4), line 31 of the accompanying financial statements for 2002 and succeeding years. All such reimbursements made or accrued have been reported in accordance with this ruling. The amount reported on line 31 is \$636,416. There is no monetary effect on statutory surplus resulting from this transaction, as these amounts would otherwise be a write-in reduction to surplus.

(2) Supplemental Report #2A, TennCare Operations Statement of Revenue and Expenses, which is filed separately from the bound annual statement, has been prepared in accordance with instructions from TennCare. These instructions require that we report only TennCare business activity and exclude Medicare Advantage and all other lines of business. Additionally, these instructions differ from statutory accounting practices in that income and expenses related to claims, losses, premiums, and other amounts received or paid on behalf of the ASO operations are treated as expenses and revenues of the Company. The Statement of Revenue and Expenses included in this statement includes all lines of business and was prepared according to the Statement of Statutory Accounting Principles (SSAP) No. 47 Uninsured Plans, which excludes all income and expenses related to claims, losses, premiums, and other amounts received or paid on behalf of ASO plans. Amounts received from TennCare to administer the ASO plan are reported as a reduction to administrative expenses.

(3) In a letter to the Company dated January 4, 2008, the State of Tennessee, Department of Commerce and Insurance, TennCare Division, communicated its position that Health Maintenance Organizations (HMOs) can obtain stop loss policies but, since they are not insurance companies, HMOs cannot enter into reinsurance agreements. This letter also instructed a prescribed practice for the presentation of stop loss premium expenses on the Statement of Revenues and Expenses whereby stop loss type premium expense is reported on Line 17, Net Reinsurance Recoveries. In a letter dated February 26, 2008, the Company received approval for an exception to the prescribed practice noted above which allows the Company to report premium paid for coverage under a stop loss type agreement as a reduction to premium on Line 2, Net Premium Income of the Statement of Revenues and Expenses. The Company's policy is a stop loss policy rather than reinsurance. The Company has reported the stop loss premium expenses in accordance with the exception provided in the February 26, 2008 letter.

B. The preparation of financial statements in conformity with the Annual Statement Instructions and *Accounting Practices and Procedures manual* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Effective July 1, 2002, the Company entered into an Administrative Services Agreement with the State of Tennessee TennCare Bureau. Under this agreement, the Company processes and pays claims and performs other managed care services and is reimbursed by TennCare. The Company receives an administrative fee for this service.

Effective January 1, 2007, the Company began operations of a Medicare Advantage product in the state of Tennessee under a contract with the Centers for Medicare and Medicaid Services (CMS). CMS pays premiums to the Company on a monthly basis. All amounts are recognized as revenue during the time that the Company is obligated to provide health services to its enrollees.

The Company contracts with various health care providers for the provision of certain medical care services to its members. The Company compensates those providers on a capitation or unit of service basis. The Company's has maintained these contracts under the ASO agreement with TennCare; however, the Company is no longer at risk for medical expenses incurred on or after July 1, 2002 for this Medicaid line of business. The cost of health care services provided or contracted for related to the Medicare line of business is accrued in the period in which the service is provided to a member based in part on estimates, including an accrual for medical services provided but not reported to the Company.

Notes to Financial Statement

Administrative fees paid to Unison Administrative Services, LLC (UAS) are allocated to each expense line pro rata based on the expenses incurred by UAS. Expenses incurred by UAS, which are not directly attributable to a specific HMO, are allocated to its contracted HMOs based on relevant factors which management has determined are valid bases for allocations. Examples are: call volume, claims volume and member months

The following accounting policies materially affect the assets, liabilities, capital and surplus or results of operations:

- (1) The Company has no short term investments.
- (2) The Company reports bonds at amortized cost using the scientific (constant yield) method.
- (3) The Company has no investments in common stock.
- (4) The Company has no investments in preferred stock.
- (5) The Company has no investments in mortgage loans.
- (6) The Company has no investments in loan-backed securities.
- (7) The Company has no investments in subsidiaries, controlled or affiliated companies.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no investments in derivatives.
- (10) The Company has no premium deficiency reserves.
- (11) The Company records a liability for claims which are expected to be paid after the end of the reporting period for services provided to members through June 30, 2002 for the Medicaid line of business and through December 31, 2007 for the Medicare line of business. The liabilities for the Medicaid line of business are based on historical data, current membership and other related information. The liabilities for the Medicare line of business are based on current membership and budget information as sufficient historical data is not available for the year ending December 31, 2007. The Company also records a liability for claims adjustment expenses for claims that are expected to be processed and paid after the end of the reporting period for services provided to members through December 31, 2007, including an estimate for the administrative expense to process incurred but not reported claims under the ASO arrangement with TennCare. As estimates are used in establishing these liabilities, the ultimate amounts may be in excess or less than the amounts reported on this statement. These accruals are continually monitored and reviewed and, as settlements are made or accruals adjusted, differences are reflected in current operations.

In accordance with SSAP 47, the Company's statement of operations excludes amounts received or paid on behalf of TennCare. No liability for claims has been established for periods after June 30, 2002, as the Company is not at risk for medical expenses under the ASO arrangement with TennCare.

- (12) The Company has not modified its capitalization policy from the prior period.
 - (13) The Company estimates current quarter Pharmaceutical rebates per member per month (PMPM) based on previous history, adjusted for known reductions in rebates. This estimate is then periodically compared against an estimate prepared based on prescriptions and historical rebates per script by drug (adjusted for the loss of drugs that previously were eligible for rebates). The two estimates are compared to ensure an appropriately conservative accrual has been made. The first previous quarter is reported based on the report from our pharmacy benefit manager (PBM) listing rebates invoiced. The Company generally receives a notice from the PBM in the second month following the end of each quarter, listing the rebate amounts billed by manufacturer.
2. Accounting Changes and Corrections of Errors:
 - A. The Company had no accounting changes or corrections of errors.
 3. Business Combinations and Goodwill:
 - A. The Company has no business combinations or goodwill to report.
 4. Discontinued Operations:
 - A. The Company has no discontinued operations to report.
 5. Investments:
 - A. The Company has no investments in Mortgage Loans.
 - B. The Company has no investments in Debt Restructuring.
 - C. The Company has no investments in Reverse Mortgages.
 - D. The Company has no investments in Loan-Backed Securities.
 - E. The Company has no investments in Repurchase Agreements.
 - F. The Company has no investments in Real Estate.
 - G. The Company has no investments in Low-Income Housing Tax Credits.
 6. Joint Ventures, Partnerships and Limited Liability Companies:
 - A. The Company has no Investments in Joint Ventures, Partnerships or Limited Liability Companies
 7. Investment Income:
 - A. Investment income due and accrued with amounts over 90 days past due are non-admitted.
 - B. At December 31, 2007, no investment income was non-admitted.
 8. Derivative Instruments:
 - A. The Company has no investments in Derivative Instruments.

Notes to Financial Statement

9. Income Taxes:
 - A. The Company has recorded no deferred income tax asset (DTA) or deferred tax liability (DTL). Holdings, the Company's sole shareholder, has made an election to be treated as an S corporation for federal and state income tax purposes and it has made an election to treat the Company as a qualified subchapter S subsidiary for federal income tax purposes. As a result of the QSST election, the Company is treated as a division of Holdings for income tax purposes and the results of its operations are included in the Holdings' income tax returns. SSAP 10 does not address QSST's. See note 1.A.(1) for the description of the tax allocation agreement and our treatment of such.
10. Information Concerning Parent, Subsidiaries and Affiliates:
 - A. B. C. & D.:
 - (1) The Company was incorporated on August 9, 2000 and all stock is owned by Holdings. Holdings is a corporation organized pursuant to the laws of the State of Delaware. The Company is capitalized with \$.0001 million in common stock and \$2.9894 million of additional paid-in-capital.
 - (2) At December 31, 2007, the Company reported the following amounts payable:
 - (a) \$246,959 payable to UAS. This is comprised of \$38,670 for amounts due under the Medicaid Administrative Services Agreement, \$253,389 for amounts due under the 2006 Medicare Operations Outsourcing Agreement, offset by a \$41,100 amount due from UAS for the reimbursement of TennCare penalties paid by the Company. Payment is made monthly. Total expense incurred under these agreements for 2007 is \$9,862,126.
 - (b) \$624,756 due to Holdings, for amounts due under the tax allocation agreement. Payment is made quarterly. Total expense incurred under this agreement for 2007 is \$636,416.
 - E. The Company has no guarantees or undertakings for the benefit of an affiliated or related party.
 - F. The Company has the following related party agreements:
 - (1) Effective August 1, 2000, the Company entered into an Administrative Services Agreement with UAS, a limited liability company 100% owned by Holdings. Under the agreement, UAS performs all administrative services necessary for the Company to carry on its HMO business (Medicaid Line of Business) in return for a pmpm fee. The agreement with UAS ends June 30, 2002 with automatic renewals for successive one-year terms there after, unless either party to the agreement gives notice of termination. Effective July 1, 2002, the State of Tennessee modified the TennCare program to change it to an ASO program during the period July 1, 2002 to December 31, 2003 (Stabilization Period). This stabilization period has been extended until the at-risk contracts awarded under the pending Western Region request for proposal are operational. As a result of the modifications to the TennCare program, the Administrative Services Agreement with UAS was modified so that the fee payable to UAS is equal to 95% (percent) of the ASO fees (fixed and contingent) earned by the Company under the TennCare program during the stabilization period. At the end of the stabilization period the original terms of the agreement will be reinstated. On August 12, 2007, amendment #3 was executed for the Administrative Service Agreement between the Company and UAS to clarify the requirements for billing and collection of amounts payable by UAS to the Company under the Administrative Services Agreement.
 - (2) The Company has entered into a tax allocation agreement with its parent, Holdings. See note 1.A.(1) and note 9.A. for details regarding this agreement.
 - (3) The Company is party to a 2006 Medicare Operations Outsourcing Agreement with UAS. Under the agreement, UAS performs all operational services necessary for the Company to carry on its Medicare Advantage HMO business in return for a percentage of revenue fee. UAS engages in no activities other than the performance of services for the companies within the holding company system. The agreement with UAS terminates on December 31, 2007, with automatic successive one (1) year renewals unless either party to the agreement gives notice of termination. On July 9, 2007 amendment #1 was executed for the 2006 Medicare Operations Outsourcing Agreement between the Company and UAS to clarify the requirements for the billing and collection of amounts payable by UAS to the Company under the Operations Outsourcing Agreement.
 - G. All of the stock of the Company is owned by Holdings, which is a corporation organized pursuant to the laws of the State of Delaware and acts as a holding company for the Company. The Company is affiliated through common ownership with the following companies that are also wholly owned constituents of the Holdings insurance holding company system: Unison Health Plan of Pennsylvania, Inc. (UHPPA), a Pennsylvania domiciled HMO, Unison Family Health Plan of Pennsylvania, Inc., a Pennsylvania domiciled HMO and subsidiary of UHPPA, Unison Health Plan of South Carolina, Inc., a South Carolina domiciled HMO, Unison Health Holdings of Ohio, Inc. (UHHOH), a corporation organized pursuant to the laws of the State of Delaware, Unison Health Plan of Ohio, Inc., an Ohio domiciled Health Insuring Corporation and subsidiary of UHHOH, Unison Health Plan of New Jersey, Inc., a New Jersey domiciled HMO, Unison Health Plan of Delaware, Inc. (UHPDE), a Delaware Medicaid MCO, Unison Health Plan of the Capital Area, Inc., a District of Columbia domiciled HMO (not active), and Unison Administrative Services, LLC, (UAS) a Pennsylvania limited liability company.
 - H. The Company has no upstream intermediate entity or ultimate parent owned via a downstream subsidiary, controlled, or affiliated entity.
 - I., J. & K. The Company has no investments in an SCA.
11. Debt:
 - A. The Company has issued no capital notes or other debt instruments.

Notes to Financial Statement

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:
 - A. The Company does not have any Defined Benefit Plans.
 - B. The Company does not have any Defined Contribution Plans.
 - C. The Company has no Multiemployer Plans
 - D. The Company has no employees and therefore has no retirement plans. All administrative services are performed by UAS, which has a 401(k) Plan for its employees. Employees may contribute up to fifteen (15%) of their gross pay. UAS matches twenty-five percent (25%) up to the first four percent (4%) of the employee's contributions. Vesting is immediate.
 - E. The Company has no Postemployment Benefits and Compensated Absences.
 - F. The Company has no Impact of Medicare Modernization Act on Postretirement Benefits to report.
13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations:
 - (1) The Company has 2,000 common shares authorized, with 100 issued and outstanding
 - (2) The Company has no preferred stock authorized or issued.
 - (3) Under the laws of the State of Tennessee, all dividends and other distributions to shareholders must be reported to the Commissioner of Commerce and Insurance within five (5) days following the declaration thereof and at least ten (10) days prior to payment. An extraordinary dividend is one which exceeds the greater of ten (10) per cent of the Company's surplus as of December 31 next preceding or the net income for the twelve month period ending December 31 next preceding. Extraordinary dividends must be approved in advance by the commissioner.
 - (4) Within the limitations of (3) above, there are no restrictions on the portion of the Company's profits that may be paid as ordinary dividends to the shareholder.
 - (5) The Company has no restrictions on unassigned surplus.
 - (6) The Company has no advances to surplus.
 - (7) The Company has no stock held for special purposes.
 - (8) The Company has no special surplus funds.
 - (9) The Company has no unrealized gains or losses.
 - (10) The Company has no surplus debentures or similar obligations.
 - (11) & (12) The Company has had no quasi-reorganizations.
14. Contingencies:
 - A. The Company has no Contingent Commitments
 - B. The Company has no reportable assessments.
 - C. The Company has no gain contingencies.
 - D. The Company has no claims related extra contractual obligation or bad faith losses stemming from lawsuits.
 - E. All Other Contingencies
 - (1) The Company carries managed care errors and omissions insurance, that covers both potential liability of the Company as regards its managed care activities, i.e. utilization management, peer review, etc., and the potential professional liability of the individuals who perform those activities for the Company. That insurance coverage is a claims-made policy covering the Company and those individuals for incidents as long as the Company maintains current coverage. To date, no malpractice or other professional liability actions were filed against the Company. Accordingly, no reserves are recorded in the accompanying statements of admitted assets, liabilities and net worth.
 - (2) In the normal course of business, third parties assert claims against the Company pertaining to various aspects of its operations. As of December 31, 2007, the only such claims asserted arose from medical service providers seeking additional reimbursement for services rendered to the Company's enrolled members. Management believes the amounts accrued for medical expenses are adequate to cover any such claims.
15. Leases:
 - A. The Company has no lessee arrangements.
 - B. The Company has no lessor business activities.
16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk:
 - A. The Company has no financial instruments with off-balance-sheet risk and none with concentrations of credit risk.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities:
 - A. The Company has no transfers of receivables reported as sales.
 - B. The Company has no transfers and servicing of Financial Assets.
 - C. The Company has no wash sales.

Notes to Financial Statement

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans:

A. The gain from operations from the Company’s ASO uninsured plan is as follows:

	ASO Uninsured Plans
a. Net reimbursement for administrative expenses in excess (deficit) of actual expenses	\$ 682,425
b. Total net other income or expenses	\$ (274,660)
c. Net gain or loss from operations (net of tax)	\$ 407,765
d. Total claim payment volume	\$ 104,723,680

B. The Company has no ASC plans.

C. (1) The Company initiated operations for its Medicare Advantage product on January 1, 2007 with its first members effective on that date.

- (a) Through December 31, 2007 gross revenue of \$795,763 (decreased by \$162,070 of accrued retrospective premium – see Note 23.A. for additional details) was recorded related to the Medicare Part D component of the Medicare Advantage product. Premium is received primarily from the Centers for Medicare & Medicaid Services (CMS). Small monthly premium amounts are also received from members related to Part D coverage.
- (b) The Company recorded a liability under the Low Income Subsidy (Cost-Sharing Portion) of the program at December 31, 2007 in the amount of \$294,663, as well as a liability for the advance received on the Part D reinsurance coverage of \$237,852 at December 31, 2007.
- (c) Not applicable
- (d) Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators:

A. The Company does not use managing general agents or unaffiliated third party administrators. Under the health plan operations outsourcing agreement with UAS (see note 10.F.(1) enrollment activities are conducted by licensed agents and brokers on behalf of the Company.

20. Other Items:

- A. The Company has no Extraordinary Items to report.
- B. The Company has no Debt Restructuring.
- C. The Company has no Unusual Items to report.
- D. The Company has no Uncollectible Assets to report.
- E. The Company has no Business Interruption Insurance Recoveries to report.
- F. The Company has no State Transferable Tax Credits to report.
- G. The Company has no Deposits Admitted under Section 6603 of the Internal Revenue Service Code to report.
- H. The Company has no Hybrid Securities to report.

21. Events Subsequent:

- A. On January 8, 2008, AmeriChoice, a UnitedHealth Group company, announced it has signed a definitive agreement to acquire Three Rivers Holdings, Inc. and its subsidiaries, including Unison Health Plan of Tennessee, Inc. The transaction is expected to close by mid-2008, subject to required regulatory approvals and customary closing conditions. Related Form A filings were made in late January.
- B. On January 14, 2008 the UAS Board of Directors appointed Karen Marie Heim as President of the Company.

22. Reinsurance

A. Ceded Reinsurance Report:

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Notes to Financial Statement

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes (X) No ()

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ none

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?

\$ none

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ none

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments?

\$ none

- B. The Company has no uncollectible reinsurance that was written off.

- C. The Company has no commutation of reinsurance.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination:

- A. Under the Company's Medicare Advantage Part D Program as noted above, certain amounts are subject to retrospective premium adjustment. The Company computes accrued retrospective premium adjustments through a comparison of its actual costs under the program compared to the target amount. The amount reported as Accrued Return Retrospective Premiums at December 31, 2007, is \$162,070.

- B. The Company records accrued retrospective premium as an adjustment to written premium.

- C. The amount of net premium written by the Company at December 31, 2007 that is subject to retrospective rating features was \$795,763, which represented 10.9% of the total net premium written. These premiums are related to the Company's Medicare Advantage Part D program.

24. Changes in Incurred Claims and Claims Adjustment Expenses:

- A. The Company records a liability for claims, which are expected to be paid after the end of the reporting period, for services provided to members during the period. These accruals are continually monitored and reviewed and, as settlements are made or accruals adjusted, differences are reflected in current operations. For the year ended December 31, 2007, the Company has not made any changes in the provision for incurred claim and claim adjustment expenses attributable to insured events of prior years.

25. Intercompany Pooling Arrangements:

- A. The company has no Intercompany Pooling Arrangements.

26. Structured Settlements (not applicable)

Notes to Financial Statement

27. Health Care Receivables:
A. Pharmaceutical Rebate Receivables:

As the Company’s Medicaid line of business is operating under an ASO arrangement with TennCare, no pharmacy rebates have been estimated since June 30, 2002. Effective July 1, 2003, pharmacy administration was carved out of the ASO arrangement with TennCare, therefore, the Company no longer collects rebates on behalf of the TennCare program for periods after that date. The Current quarter Pharmacy Rebates for the Medicare line of business are estimated per member per month (PMPM) based on previous history, adjusted for known reductions in rebates. This estimate is then compared against an estimate prepared based on prescriptions and historical rebates per script by drug (adjusted for the loss of drugs that previously were eligible for rebates) to ensure an appropriately conservative accrual has been made. The first previous quarter and prior quarters are reported based on the report from our pharmacy benefit manager (PBM) listing rebates invoiced. The Company generally receives a notice from the PBM in the second month following the end of each quarter, listing the rebate amounts billed by manufacturer and drug. Received amounts listed below are calculated based on the date the PBM notified the Company of the invoiced rebates.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements (Original Estimate)	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of receiving Invoice	Actual Rebates Collected Within 91 to 180 Days of receiving Invoice	Actual Rebates Collected More Than 180 Days After receiving Invoice
12/31/07	4,392				
9/30/07	2,631	9,020	5,412		
6/30/07	2,960	1,781	1,069		
3/31/07	1,755	1,781	1,102		

- B. The Company has no Risk Sharing Receivables.
28. Participating Policies:
A. The Company has no Participating Policies
29. Premium Deficiency Reserves:
A. The Company has no Premium Deficiency Reserves.
30. Anticipated Salvage and Subrogation:
A. The Company has no anticipated salvage and subrogation.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	4,581,890	43.089	4,581,890	43.089
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or Guaranteed by GNMA				
1.512 Issued or Guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	6,051,645	56.911	6,051,645	56.911
9. Other invested assets				
10. Total invested assets	10,633,535	100.000	10,633,535	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
.....Tennessee.....
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:

.....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

.....08/12/2005.....
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....06/30/2005.....
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....03/24/2006.....
- 3.4 By what department or departments?
Tennessee Department of Commerce and Insurance
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[X] No[]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[X] No[]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

.....0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
..... Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP., 2100 One PPG Place, Pittsburgh, PA 15222
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Barbara V. Scheil, FSA, MAAA, Consulting Actuary, Barbara V. Scheil and Associates, Ltd., 11462 Rockville Rd. PO Box 249, Rockville, Virginia 23146
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value

\$00
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

GENERAL INTERROGATORIES (Continued)

- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 12.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

Yes[X] No[]
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended?

Yes[X] No[]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
The code of ethics for senior managers was amended in 2007 to include requirements under the Deficit Reduction Act of 2005, Medicare Prescription Drug Improvement and Modernization Act of 2003 and the Federal False Claims Act.
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers

\$ 0
- 18.12 To stockholders not officers

\$ 0
- 18.13 Trustees, supreme or grand (Fraternal only)

\$ 0
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers

\$ 0
- 18.22 To stockholders not officers

\$ 0
- 18.23 Trustees, supreme or grand (Fraternal only)

\$ 0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others

\$ 0
- 19.22 Borrowed from others

\$ 0
- 19.23 Leased from others

\$ 0
- 19.24 Other

\$ 0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment

\$ 0
- 20.22 Amount paid as expenses

\$ 0
- 20.23 Other amounts paid

\$ 0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 0

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date?

Yes[X] No[]
- 22.2 If no, give full and complete information, relating thereto:
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1).

Yes[X] No[]
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Loaned to others

\$ 0
- 23.22 Subject to repurchase agreements

\$ 0
- 23.23 Subject to reverse repurchase agreements

\$ 0
- 23.24 Subject to dollar repurchase agreements

\$ 0
- 23.25 Subject to reverse dollar repurchase agreements

\$ 0
- 23.26 Pledged as collateral

\$ 0
- 23.27 Placed under option agreements

\$ 0
- 23.28 Letter stock or securities restricted as to sale

\$ 0
- 23.29 On deposit with state or other regulatory body

\$ 4,581,890
- 23.291 Other

\$ 0
- 23.3 For category (23.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[] N/A[X]
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 25.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

GENERAL INTERROGATORIES (Continued)

26. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?
- 26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[] No[X]

1 Name of Custodian(s)	2 Custodian's Address
.....

- 26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	There are no securities which require custody agreements at 12/31/07

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?
- 26.04 If yes, give full and complete information relating thereto:
- Yes[] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

- 26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?
- 27.2 If yes, complete the following schedule:
- Yes[] No[X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total

- 27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

28. Provide the following information for all short term and long term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds .....	..... 4,581,890	..... 4,653,622	..... 71,732
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals .....	..... 4,581,890	..... 4,653,622	..... 71,732

- 28.4 Describe the sources of methods utilized in determining the fair values
- The rate used to determine fair value was obtained from FTN Financial Capital Markets.

- 29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- 29.2 If no, list exceptions:
- Yes[X] No[]

OTHER

- 30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?
- \$..... 0

GENERAL INTERROGATORIES (Continued)

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

31.1 Amount of payments for legal expenses, if any? \$ 0

31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0

32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only:

\$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned

\$ 0
- 1.62 Total incurred claims

\$ 0
- 1.63 Number of covered lives

..... 0
- All years prior to most current three years:
- 1.64 Total premium earned

\$ 0
- 1.65 Total incurred claims

\$ 0
- 1.66 Number of covered lives

..... 0
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned

\$ 0
- 1.72 Total incurred claims

\$ 0
- 1.73 Number of covered lives

..... 0
- All years prior to most current three years:
- 1.74 Total premium earned

\$ 0
- 1.75 Total incurred claims

\$ 0
- 1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	7,113,723	.....
2.2	Premium Denominator	7,113,723	.....
2.3	Premium Ratio (2.1 / 2.2)	1.000	.....
2.4	Reserve Numerator	3,003,890	243,979
2.5	Reserve Denominator	3,003,890	243,979
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical

\$ 232,500
- 5.32 Medical Only

\$ 0
- 5.33 Medicare Supplement

\$ 0
- 5.34 Dental

\$ 0
- 5.35 Other Limited Benefit Plan

\$ 0
- 5.36 Other

\$ 0
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Hold harmless agreements are included in all provider contracts
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base?

Yes[X] No[]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year

..... 1,839
- 8.2 Number of providers at end of reporting year

..... 2,077
- 9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months

..... 0
- 9.22 Business with rate guarantees over 36 months

..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[] No[X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses

\$ 0
- 10.22 Amount actually paid for year bonuses

\$ 0
- 10.23 Maximum amount payable withholds

\$ 0
- 10.24 Amount actually paid for year withholds

\$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model,

Yes[] No[X]
- 11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]
- 11.14 A Mixed Model (combination of above)?

Yes[] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]
- 11.3 If yes, show the name of the state requiring such net worth.

Tennessee
- 11.4 If yes, show the amount required.

\$ 5,111,954
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]
- 11.6 If the amount is calculated, show the calculation.

4% of the Amount received under the TennCare contract (\$120,663,780 * 4%)
12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Benton, TN
Carroll, TN
Chester, TN
Crockett, TN
Decatur, TN
Dyer, TN
Fayette, TN
Gibson, TN

GENERAL INTERROGATORIES (Continued)

1	
Name of Service Area	
Hardeman, TN	
Hardin, TN	
Haywood, TN	
Henderson, TN	
Henry, TN	
Lake, TN	
Lauderdale, TN	
Madison, TN	
McNairy, TN	
Obion, TN	
Shelby, TN	
Tipton, TN	
Weakley, TN	

FIVE-YEAR HISTORICAL DATA

	1 2007	2 2006	3 2005	4 2004	5 2003
BALANCE SHEET (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	12,046,541	6,700,249	5,778,439	5,486,257	9,648,917
2. Total liabilities (Page 3, Line 22)	5,218,042	1,248,652	821,925	933,741	5,644,209
3. Statutory surplus	5,111,954	3,918,549	3,129,911	2,586,192	2,637,749
4. Total capital and surplus (Page 3, Line 31)	6,828,499	5,451,597	4,956,514	4,552,516	4,004,708
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	7,113,723				163,090
6. Total medical and hospital expenses (Line 18)	5,000,883				138,624
7. Claims adjustment expenses (Line 20)	(349,181)	(283,604)	(160,687)	(319,022)	(270,953)
8. Total administrative expenses (Line 21)	763,851	(224,096)	(279,753)	(454,206)	3,787
9. Net underwriting gain (loss) (Line 24)	1,698,170	507,700	440,440	773,228	291,632
10. Net investment gain (loss) (Line 27)	373,643	220,120	144,031	83,422	114,077
11. Total other income (Lines 28 plus 29)			25,000	(25,000)	4,300
12. Net income or (loss) (Line 32)	1,435,397	480,361	402,250	548,888	270,606
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	4,582,734	750,938	439,865	(3,817,791)	(1,223,016)
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	6,828,499	5,451,597	4,956,514	4,552,516	4,004,708
15. Authorized control level risk-based capital	450,215	83,272	72,433	70,264	752,456
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	945				
17. Total members months (Column 6, Line 7)	8,752				
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	70.3				85.0
20. Cost containment expenses	(5.0)				X X X
21. Other claims adjustment expenses	0.1				
22. Total underwriting deductions (Line 23)	76.1				(78.8)
23. Total underwriting gain (loss) (Line 24)	24				179
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	243,979	233,646	279,225	4,898,815	7,363,553
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	243,979	233,646	279,225	4,898,815	7,224,929
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 53, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 7)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31					



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:
BUSINESS IN THE STATE OF ARKANSAS DURING THE YEAR
NAIC Group Code 2718 NAIC Company Code 11139

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year										
2. First Quarter										
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months										
Total Member Ambulatory Encounters for Year:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (b)										
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services										
18. Amount Incurred for Provision of Health Care Services										

NONE

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION:		2. LOCATION:								
BUSINESS IN THE STATE OF MISSISSIPPI		DURING THE YEAR								
NAIC Group Code 2718		NAIC Company Code 11139								
	1	Comprehensive (Hospital & Medical)		4	5	6	7 Federal Employees Health Benefit Plan	8	9	10
	2	3								
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only		Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1.	Prior Year									
2.	First Quarter									
3.	Second Quarter									
4.	Third Quarter									
5.	Current Year									
6.	Current Year Member Months									
Total Member Ambulatory Encounters for Year:										
7.	Physician									
8.	Non-Physician									
9.	Total									
10.	Hospital Patient Days Incurred									
11.	Number of Inpatient Admissions									
12.	Health Premiums Written (b)									
13.	Life Premiums Direct									
14.	Property/Casualty Premiums Written									
15.	Health Premiums Earned									
16.	Property/Casualty Premiums Earned									
17.	Amount Paid for Provision of Health Care Services									
18.	Amount Incurred for Provision of Health Care Services									

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Unison Health Plan of Tennessee, Inc. 2. LOCATION:
BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR

NAIC Group Code 2718

NAIC Company Code 11139

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year										
2. First Quarter	562							562		
3. Second Quarter	820							820		
4. Third Quarter	941							941		
5. Current Year	945							945		
6. Current Year Member Months	8,752							8,752		
Total Member Ambulatory Encounters for Year:										
7. Physician	7,399							7,399		
8. Non-Physician	658							658		
9. Total	8,057							8,057		
10. Hospital Patient Days Incurred	1,221							1,221		
11. Number of Inpatient Admissions	172							172		
12. Health Premiums Written (b)	7,135,080							7,135,080		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	7,135,080							7,135,080		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	2,403,042							2,423,333	(20,291)	
18. Amount Incurred for Provision of Health Care Services	5,000,883							5,000,883		

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....7,135,080



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Unison Health Plan of Tennessee, Inc. 2. LOCATION:

NAIC Group Code 2718 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR NAIC Company Code 11139

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year										
2. First Quarter	562							562		
3. Second Quarter	820							820		
4. Third Quarter	941							941		
5. Current Year	945							945		
6. Current Year Member Months	8,752							8,752		
Total Member Ambulatory Encounters for Year:										
7. Physician	7,399							7,399		
8. Non-Physician	658							658		
9. Total	8,057							8,057		
10. Hospital Patient Days Incurred	1,221							1,221		
11. Number of Inpatient Admissions	172							172		
12. Health Premiums Written (b)	7,135,080							7,135,080		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	7,135,080							7,135,080		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	2,403,042							2,423,333	(20,291)	
18. Amount Incurred for Provision of Health Care Services	5,000,883							5,000,883		

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....7,135,080

30 Grand Total

SCHEDULE A - VERIFICATION BETWEEN YEARS
Real Estate

1.	Book/adjusted carrying value, December 31, prior year	
2.	Increase (decrease) by adjustment:	
2.1	Totals, Part 1, Column 11	
2.2	Totals, Part 3, Column 8	
3.	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9))	
4.	Cost of additions and permanent improvements:	
4.1	Totals, Part 1, Column 14	
4.2	Totals, Part 3, Column 10	
5.	Total profit (loss) on sales, Part 3, Column 15	
6.	Increase (decrease) by foreign exchange adjustment	
6.1	Totals, Part 1, Column 12	
6.2	Totals, Part 3, Column 9	
7.	Amounts received on sales, Part 3, Column 12 and Part 1, Column 13	
8.	Book/adjusted carrying value at the end of current period	
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	
11.	Total nonadmitted amounts	
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	

SCHEDULE B - VERIFICATION BETWEEN YEARS
Mortgage Loans

1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	
2.	Amount loaned during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount and mortgage interest points and commitment fees	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	

SCHEDULE BA - VERIFICATION BETWEEN YEARS
Long-Term Invested Assets

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	
2.	Cost of acquisitions during year:	
2.1	Actual cost at time of acquisitions	
2.2	Additional investment made after acquisitions	
3.	Accrual of discount	
4.	Increase (decrease) by adjustment	
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book/adjusted carrying value of long-term invested assets at end of current period	
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	
12.	Total nonadmitted amounts	
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	

SCHEDULE D - SUMMARY BY COUNTRY
Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	4,581,890	4,653,622	4,574,764	4,587,000
	2. Canada				
	3. Other Countries				
	4. Totals	4,581,890	4,653,622	4,574,764	4,587,000
States, Territories and Possessions (Direct and Guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals				
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States				
	22. Canada				
	23. Other Countries				
	24. Totals				
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	4,581,890	4,653,622	4,574,764	4,587,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks				
	55. Total Stocks				
	56. Total Bonds and Stocks	4,581,890	4,653,622	4,574,764	

SCHEDULE D - Verification Between Years
Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	3,096,106	7. Amortization of premium.....	2,679
2. Cost of bonds and stocks acquired, Column 7, Part 3....	2,680,233	8. Foreign Exchange Adjustment:	
3. Accrual of discount.....	8,230	8.1 Column 15, Part 1.....	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1.....	
4.1 Columns 12 - 14, Part 1.....		8.3 Column 16, Part 2, Section 2.....	
4.2 Column 15 - 17, Part 2, Section 1.		8.4 Column 15, Part 4.....	
4.3 Column 15, Part 2, Section 2.....			
4.4 Column 11 - 13, Part 4.....		9. Book/adjusted carrying value at end of current period ...	4,581,890
5. Total gain (loss), Column 19, Part 4.....		10. Total valuation allowance.....	
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4.....	1,200,000	11. Subtotal (Lines 9 plus 10).....	4,581,890
		12. Total nonadmitted assets.....	
		13. Statement value of bonds and stocks, current period...	4,581,890

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1.	U.S. Governments, Schedules D & DA (Group 1)											
1.1	Class 1	1,208,481	3,373,409				4,581,890	100.00	3,096,106	100.00	4,581,890	
1.2	Class 2											
1.3	Class 3											
1.4	Class 4											
1.5	Class 5											
1.6	Class 6											
1.7	TOTALS	1,208,481	3,373,409				4,581,890	100.00	3,096,106	100.00	4,581,890	
2.	All Other Governments, Schedules D & DA (Group 2)											
2.1	Class 1											
2.2	Class 2											
2.3	Class 3											
2.4	Class 4											
2.5	Class 5											
2.6	Class 6											
2.7	TOTALS											
3.	States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1	Class 1											
3.2	Class 2											
3.3	Class 3											
3.4	Class 4											
3.5	Class 5											
3.6	Class 6											
3.7	TOTALS											
4.	Political Subdivisions of States, Territories & Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1	Class 1											
4.2	Class 2											
4.3	Class 3											
4.4	Class 4											
4.5	Class 5											
4.6	Class 6											
4.7	TOTALS											
5.	Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1	Class 1											
5.2	Class 2											
5.3	Class 3											
5.4	Class 4											
5.5	Class 5											
5.6	Class 6											
5.7	TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 TOTALS											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 TOTALS											
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	1,208,481	3,373,409				4,581,890	100.00	X X X	X X X	4,581,890	
10.2 Class 2								X X X	X X X		
10.3 Class 3								X X X	X X X		
10.4 Class 4								X X X	X X X		
10.5 Class 5						(c)		X X X	X X X		
10.6 Class 6						(c)		X X X	X X X		
10.7 TOTALS	1,208,481	3,373,409				(b) 4,581,890	100.00	X X X	X X X	4,581,890	
10.8 Line 10.7 as a % of Column 6	26.38	73.62				100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year											
11.1 Class 1	1,199,462	1,896,644				X X X	X X X	3,096,106	100.00	3,096,106	
11.2 Class 2						X X X	X X X				
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 TOTALS	1,199,462	1,896,644				X X X	X X X	(b) 3,096,106	100.00	3,096,106	
11.8 Line 11.7 as a % of Col. 8	38.74	61.26				X X X	X X X	100.00	X X X	100.00	
12. Total Publicly Traded Bonds											
12.1 Class 1	1,208,481	3,373,409				4,581,890	100.00	3,096,106	100.00	4,581,890	X X X
12.2 Class 2											X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 TOTALS	1,208,481	3,373,409				4,581,890	100.00	3,096,106	100.00	4,581,890	X X X
12.8 Line 12.7 as a % of Col. 6	26.38	73.62				100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	26.38	73.62				100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

(a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
(b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z**" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
(c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5* designations and \$.....0 current year, \$.....0 prior year of bonds with 6* designations. "5**" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6**" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1.	U.S. Governments, Schedules D & DA (Group 1)											
1.1	Issuer Obligations	1,208,481	3,373,409				4,581,890	100.00	3,096,106	100.00	4,581,890	
1.2	Single Class Mortgage-Backed/Asset-Backed Securities											
1.7	TOTALS	1,208,481	3,373,409				4,581,890	100.00	3,096,106	100.00	4,581,890	
2.	All Other Governments, Schedules D & DA (Group 2)											
2.1	Issuer Obligations											
2.2	Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3	Defined											
2.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5	Defined											
2.6	Other											
2.7	TOTALS											
3.	States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 3)											
3.1	Issuer Obligations											
3.2	Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3	Defined											
3.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5	Defined											
3.6	Other											
3.7	TOTALS											
4.	Political Subdivisions of States, Territories & Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1	Issuer Obligations											
4.2	Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3	Defined											
4.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5	Defined											
4.6	Other											
4.7	TOTALS											
5.	Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, SCH. D & DA (Group 5)											
5.1	Issuer Obligations											
5.2	Single Class Mortgage-Backed/Asset-Backed Securities											
	MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3	Defined											
5.4	Other											
	MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5	Defined											
5.6	Other											
5.7	TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined											
6.6 Other											
6.7 TOTALS											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations											
7.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
7.3 Defined											
7.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
7.5 Defined											
7.6 Other											
7.7 TOTALS											
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations											
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type		1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10.	Total Bonds Current Year											
10.1	Issuer Obligations	1,208,481	3,373,409				4,581,890	100.00	X X X	X X X	4,581,890	
10.2	Single Class Mortgage-Backed/Asset-Backed Securities								X X X	X X X		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:												
10.3	Defined								X X X	X X X		
10.4	Other								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:												
10.5	Defined								X X X	X X X		
10.6	Other								X X X	X X X		
10.7	TOTALS	1,208,481	3,373,409				4,581,890	100.00	X X X	X X X	4,581,890	
10.8	Line 10.7 as a % of Column 6	26.38	73.62				100.00	X X X	X X X	X X X	100.00	
11.	Total Bonds Prior Year											
11.1	Issuer Obligations	1,199,462	1,896,644				X X X	X X X	3,096,106	100.00	3,096,106	
11.2	Single Class Mortgage-Backed/Asset-Backed Securities						X X X	X X X				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:												
11.3	Defined						X X X	X X X				
11.4	Other						X X X	X X X				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:												
11.5	Defined						X X X	X X X				
11.6	Other						X X X	X X X				
11.7	TOTALS	1,199,462	1,896,644				X X X	X X X	3,096,106	100.00	3,096,106	
11.8	Line 11.7 as a % of Column 8	38.74	61.26				X X X	X X X	100.00	X X X	100.00	
12.	Total Publicly Traded Bonds											
12.1	Issuer Obligations	1,208,481	3,373,409				4,581,890	100.00	3,096,106	100.00	4,581,890	X X X
12.2	Single Class Mortgage-Backed/Asset-Backed Securities											X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:												
12.3	Defined											X X X
12.4	Other											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:												
12.5	Defined											X X X
12.6	Other											X X X
12.7	TOTALS	1,208,481	3,373,409				4,581,890	100.00	3,096,106	100.00	4,581,890	X X X
12.8	Line 12.7 as a % of Column 6	26.38	73.62				100.00	X X X	X X X	X X X	100.00	X X X
12.9	Line 12.7 as a % of Line 10.7, Column 6, Section 10	26.38	73.62				100.00	X X X	X X X	X X X	100.00	X X X
13.	Total Privately Placed Bonds											
13.1	Issuer Obligations										X X X	
13.2	Single Class Mortgage-Backed/Asset-Backed Securities										X X X	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:												
13.3	Defined										X X X	
13.4	Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:												
13.5	Defined										X X X	
13.6	Other										X X X	
13.7	TOTALS										X X X	
13.8	Line 13.7 as a % of Column 6							X X X	X X X	X X X	X X X	
13.9	Line 13.7 as a % of Line 10.7, Column 6, Section 10							X X X	X X X	X X X	X X X	

39	Schedule DA Part 2	NONE
40	Schedule DB Part A Verification	NONE
40	Schedule DB Part B Verification	NONE
41	Schedule DB Part C Verification	NONE
41	Schedule DB Part D Verification	NONE
41	Schedule DB Part E Verification	NONE
42	Schedule DB Part F Sn 1 - Sum Replicated Assets	NONE
43	Schedule DB Part F Sn 2 - Recon Replicated Assets	NONE
44	Schedule S - Part 1 - Section 2	NONE
45	Schedule S - Part 2	NONE

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
Authorized General Account - Non-Affiliates												
77828 ...	57-0523959 ...	01/01/2007	COMPANION LIFE INS CO	Columbia, SC	SSL/L/I	21,357						
0299999 Subtotal - Authorized General Account - Non-Affiliates						21,357						
0399999 Total - Authorized General Account						21,357						
0799999 Total - Authorized and Unauthorized General Account						21,357						
1599999 Totals						21,357						

SCHEDULE S - PART 4
Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8
				N O N E									
1199999 Totals (General Account and Separate Accounts combined) .....				.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SCHEDULE S - PART 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2007	2 2006	3 2005	4 2004	5 2003
A. OPERATIONS ITEMS					
1. Premiums					
2. Title XVIII-Medicare	21				
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses					
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE					
(DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6
Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	10,633,535		10,633,535
2. Accident and health premiums due and unpaid (Line 13)	1,051,795		1,051,795
3. Amounts recoverable from reinsurers (Line 14.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	361,211		361,211
6. Total assets (Line 26)	12,046,541		12,046,541
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	2,841,820		2,841,820
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)			
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17)			
11. Reinsurance in unauthorized companies (Line 18)			
12. All other liabilities (Balance)	2,376,222		2,376,222
13. Total liabilities (Line 22)	5,218,042		5,218,042
14. Total capital and surplus (Line 31)	6,828,499	X X X	6,828,499
15. Total liabilities, capital and surplus (Line 32)	12,046,541		12,046,541
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid			
17. Accrued medical incentive pool			
18. Premiums received in advance			
19. Reinsurance recoverable on paid losses			
20. Other ceded reinsurance recoverables			
21. Total ceded reinsurance recoverables			
22. Premiums receivable			
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers ...			
24. Unauthorized reinsurance			
25. Other ceded reinsurance payables/offsets			
26. Total ceded reinsurance payables/offsets			
27. Total net credit for ceded reinsurance			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
		2	3	4	5	6	7	8	9	
State, Etc.		Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	No								
2.	Alaska (AK)	No								
3.	Arizona (AZ)	No								
4.	Arkansas (AR)	Yes								
5.	California (CA)	No								
6.	Colorado (CO)	No								
7.	Connecticut (CT)	No								
8.	Delaware (DE)	No								
9.	District of Columbia (DC)	No								
10.	Florida (FL)	No								
11.	Georgia (GA)	No								
12.	Hawaii (HI)	No								
13.	Idaho (ID)	No								
14.	Illinois (IL)	No								
15.	Indiana (IN)	No								
16.	Iowa (IA)	No								
17.	Kansas (KS)	No								
18.	Kentucky (KY)	No								
19.	Louisiana (LA)	No								
20.	Maine (ME)	No								
21.	Maryland (MD)	No								
22.	Massachusetts (MA)	No								
23.	Michigan (MI)	No								
24.	Minnesota (MN)	No								
25.	Mississippi (MS)	Yes								
26.	Missouri (MO)	No								
27.	Montana (MT)	No								
28.	Nebraska (NE)	No								
29.	Nevada (NV)	No								
30.	New Hampshire (NH)	No								
31.	New Jersey (NJ)	No								
32.	New Mexico (NM)	No								
33.	New York (NY)	No								
34.	North Carolina (NC)	No								
35.	North Dakota (ND)	No								
36.	Ohio (OH)	No								
37.	Oklahoma (OK)	No								
38.	Oregon (OR)	No								
39.	Pennsylvania (PA)	No								
40.	Rhode Island (RI)	No								
41.	South Carolina (SC)	No								
42.	South Dakota (SD)	No								
43.	Tennessee (TN)	Yes		7,135,080					7,135,080	
44.	Texas (TX)	No								
45.	Utah (UT)	No								
46.	Vermont (VT)	No								
47.	Virginia (VA)	No								
48.	Washington (WA)	No								
49.	West Virginia (WV)	No								
50.	Wisconsin (WI)	No								
51.	Wyoming (WY)	No								
52.	American Samoa (AS)	No								
53.	Guam (GU)	No								
54.	Puerto Rico (PR)	No								
55.	U.S. Virgin Islands (VI)	No								
56.	Northern Marianas Islands (MP)	No								
57.	Canada (CN)	No								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X		7,135,080					7,135,080	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 3		7,135,080					7,135,080	
DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

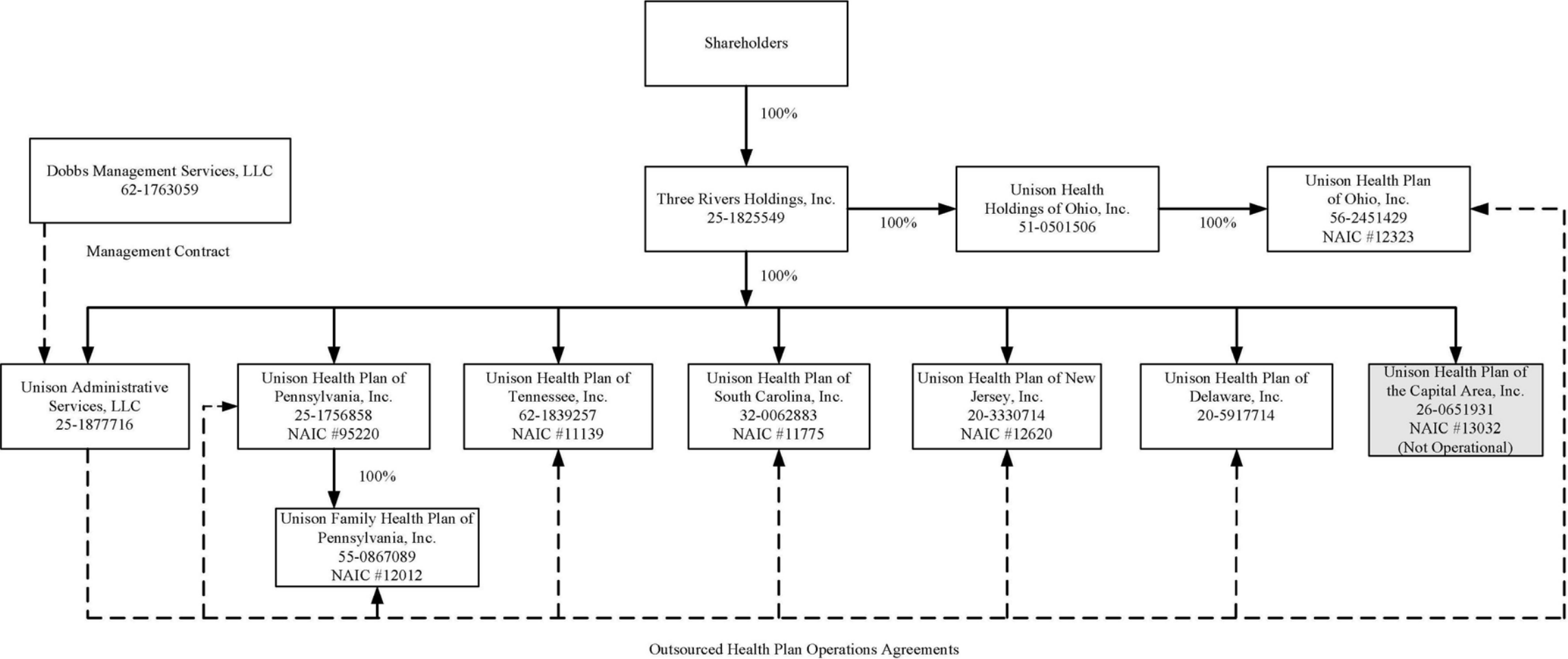
(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

		Direct Business only					
		1	2	3	4	5	6
		Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
States, Etc.							
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CN)						
58.	Aggregate other alien (OT)						
59.	TOTALS						

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y (Continued)
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
95220	25-1756858	UNISON HEALTH PLAN OF PA INC	(30,900,000)				(108,137,219)				(139,037,219)	
12012	55-0867089	UNISON FAMILY HEALTH PLAN OF PA INC					(6,476,767)				(6,476,767)	
11139	62-1839257	UNISON HEALTH PLAN OF TN INC					(10,498,542)				(10,498,542)	
11775	32-0062883	UNISON HEALTH PLAN OF SC INC					(4,179,628)				(4,179,628)	
12323	56-2451429	UNISON HEALTH PLAN OF OH INC		11,500,000			(24,127,275)				(12,627,275)	
12620	20-3330714	UNISON HEALTH PLAN OF NJ INC					(128,444)				(128,444)	
	20-5917714	UNISON HEALTH PLAN OF DE INC		1,000,000			(5,000,855)				(4,000,855)	
13032	26-0651931	UNISON HEALTH PLAN OF THE CAPITAL AREA INC		1,500,000							1,500,000	
	25-1877716	UNISON ADMINISTRATIVE SERVICES LLC					130,892,300				130,892,300	
	25-1825549	THREE RIVERS HOLDINGS INC	30,900,000	(14,000,000)			24,243,858				41,143,858	
	51-0501506	UNISON HEALTH HOLDINGS OF OH INC					3,412,572				3,412,572	
9999999	Totals								X X X			

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?
2. Will an actuarial opinion be filed by March 1?
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1?
- Yes
- Yes
- Yes
- Yes

APRIL FILING

5. Will Management's Discussion and Analysis be filed by April 1?
6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?
- Yes
- Yes
- Yes

JUNE FILING

8. Will an audited financial report be filed by June 1?
- Yes

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

9. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?
10. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?
11. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?
13. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?
- No
- No
- No
- No
- No

APRIL FILING

14. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?
15. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?
16. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?
- No
- No
- No

Explanations:

Bar Codes:

Medicare Supplement Insurance Experience Exhibit



Health Life Supplement



Health Property / Casualty Supplement



Schedule SIS



Medicare Part D Coverage Supplement



LTC Experience Reporting Form C



Health Life Supplement - LHA Guaranty Association Reconciliation



Health Property / Casualty Supplement



OVERFLOW PAGE FOR WRITE-INS

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504.Training and Education 43,587	.....	..... 43,587
2505.Meetings 10,620	.....	..... 10,620
2506.Miscellaneous Expense 44,609	.....	..... 44,609
2507.Medicare User Fees 3,196	.....	..... 3,196
2597.Summary of overflow write-ins for Line 25 102,012	.....	..... 102,012

E01 Schedule A - Part 1 Real Estate Owned NONE

E02 Schedule A - Part 2 Real Estate Acquired NONE

E03 Schedule A - Part 3 Real Estate Sold NONE

E04 Schedule B - Part 1 Mortgage Loans Owned NONE

E05 Schedule B - Part 2 Mortgage Loans Sold NONE

E06 Schedule BA - Part 1 Invested Assets Owned NONE

E07 Schedule BA - Part 2 Invested Assets Sold NONE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

CUSIP Identifi- cation	Description	Codes			6 NAIC Desig- nation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates		
		3	4 F O R E I G N *	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization) Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of Interest	18 How Paid	19 Admitted Amount Due and Accrued	20 Gross Amount Received During Year	21 Acquired	22 Maturity	
U.S. Governments - Issuer Obligations																						
912828EV8	U.S. Treasury Note	SD			1FE	991,900	101.5080	1,015,080	1,000,000	996,695		2,811			4.500	4.804	F.A	16,840	47,811	04/04/2006	02/15/2009	
912828EV8	U.S. Treasury Note	SD			1FE	902,631	101.5080	918,647	905,000	903,763		1,004			4.500	4.620	F.A	15,387	41,729	11/10/2006	02/15/2009	
912828CL2	U.S. Treasury Note	SD			1FE	666,773	101.3050	683,809	675,000	669,235		2,462			4.000	4.612	J.D	1,156	29,462	05/04/2007	06/15/2009	
912828GP9	U.S. Treasury Note	SD			1FE	502,223	101.8050	514,115	505,000	503,064		842			4.500	4.799	A.O	3,818	12,204	05/23/2007	04/30/2009	
912828GP9	U.S. Treasury Note	SD			1FE	300,077	101.8050	307,451	302,000	300,652		575			4.500	4.850	A.O	2,279	7,370	05/29/2007	04/30/2009	
912828FV7	U.S. Treasury Note	SD			1FE	1,211,160	101.2100	1,214,520	1,200,000	1,208,481		(2,679)			4.875	3.995	A.O	9,874	26,571	09/25/2007	10/31/2008	
0199999 Subtotal - U.S. Governments - Issuer Obligations						4,574,764	X X X	4,653,622	4,587,000	4,581,890		5,015			X X X	X X X	X X X	49,354	165,147	X X X	X X X	
0399999 Subtotal - U.S. Governments						4,574,764	X X X	4,653,622	4,587,000	4,581,890		5,015			X X X	X X X	X X X	49,354	165,147	X X X	X X X	
5499999 Subtotals - Issuer Obligations						4,574,764	X X X	4,653,622	4,587,000	4,581,890		5,015			X X X	X X X	X X X	49,354	165,147	X X X	X X X	
6099999 Grand Total - Bonds						4,574,764	X X X	4,653,622	4,587,000	4,581,890		5,015			X X X	X X X	X X X	49,354	165,147	X X X	X X X	

E09 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned NONE

E10 Schedule D - Part 2 Sn 2 Common Stocks Owned NONE

SCHEDULE D - PART 3
Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
912828CL2	US Treasury Note		05/04/2007 ..	FTN Financial Capital Markets	X X X	666,773	675,000.00	10,681
912828GP9	US Treasury Note		05/23/2007 ..	FTN Financial Capital Markets	X X X	502,223	505,000.00	1,482
912828GP9	US Treasury Note		05/29/2007 ..	FTN Financial Capital Markets	X X X	300,077	302,000.00	1,071
912828FV7	US Treasury Note		09/25/2007 ..	FTN Financial Capital Markets	X X X	1,211,160	1,200,000.00	23,686
0399999 Subtotal - Bonds - U.S. Governments						2,680,233	2,682,000.00	36,920
6099997 Subtotal - Bonds - Part 3						2,680,233	2,682,000.00	36,920
6099998 Summary item from Part 5 for Bonds								
6099999 Subtotal - Bonds						2,680,233	2,682,000.00	36,920
6599998 Summary Item from Part 5 for Preferred Stocks							X X X .....	.....
7299998 Summary Item from Part 5 for Common Stocks							X X X .....	.....
7399999 Subtotal - Preferred and Common Stocks							X X X .....	.....
7499999 Totals						2,680,233	X X X	36,920

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1	2	3 F o r e i g n	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description		Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (Cols. 11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date
Bonds - U.S. Governments																				
912828EH9	US Treasury Note		09/30/2007	Matured	X X X	1,200,000	1,200,000.00	1,198,576	1,199,462		538		538		1,200,000				48,000	09/30/2007
0399999	Subtotal - Bonds - U.S. Governments					1,200,000	1,200,000.00	1,198,576	1,199,462		538		538		1,200,000				48,000	X X X
6099997	Subtotal - Bonds - Part 4					1,200,000	1,200,000.00	1,198,576	1,199,462		538		538		1,200,000				48,000	X X X
6099998	Summary Item from Part 5 for Bonds																			X X X
6099999	Subtotal - Bonds					1,200,000	1,200,000.00	1,198,576	1,199,462		538		538		1,200,000				48,000	X X X
6599998	Summary Item from Part 5 for Preferred Stocks						X X X													X X X
7299998	Summary Item from Part 5 for Common Stocks						X X X													X X X
7399999	Subtotal - Preferred and Common Stocks						X X X													X X X
7499999	Totals					1,200,000	X X X	1,198,576	1,199,462		538		538		1,200,000				48,000	X X X

E13	Schedule D - Part 5 LT Bonds/Stocks Acquired/Disp	NONE
E14	Schedule D - Part 6 Sn 1	NONE
E14	Schedule D - Part 6 Sn 2	NONE
E15	Schedule DA - Part 1 ST Investments Owned	NONE
E16	Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned	NONE
E16	Schedule DB - Part A Sn 2 Opt/Cap/Floor Acquired	NONE
E17	Schedule DB - Part A Sn 3 Opt/Cap/Floor Term	NONE
E17	Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force	NONE
E18	Schedule DB - Part B Sn 2 Opt/Cap/Floor Written	NONE
E18	Schedule DB - Part B Sn 3 Opt/Cap/Floor Term	NONE
E19	Schedule DB - Part C Sn 1 Col/Swap/Fwrdd Open	NONE
E19	Schedule DB - Part C Sn 2 Col/Swap/Fwrdd Opened	NONE
E20	Schedule DB - Part C Sn 3 Col/Swap/Fwrdd Term	NONE
E20	Schedule DB - Part D Sn 1 Futures Contracts Open	NONE
E21	Schedule DB - Part D Sn 2 Futures Contracts Opened	NONE
E21	Schedule DB - Part D Sn 3 Futures Contracts Term	NONE
E22	Schedule DB - Part E Sn 1 Counterparty Exposure	NONE

SCHEDULE E - PART 1 - CASH

1			2	3	4	5	6	7
Depository			Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
open depositories								
PNC Bank - Operating Account	Pittsburgh, PA			4.739	167,711	21,586	5,956,910	X X X
PNC Bank - ASO Account	Pittsburgh, PA			4.604	109,566		92,735	X X X
0199998 Deposits in .....1 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories				X X X ..			2,000	X X X
0199999 Totals - Open Depositories				X X X ..	277,277	21,586	6,051,645	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories				X X X ..				X X X
0299999 Totals - Suspended Depositories				X X X ..				X X X
0399999 Total Cash On Deposit				X X X ..	277,277	21,586	6,051,645	X X X
0499999 Cash in Company's Office				X X X ..	X X X ...	X X X ...		X X X
0599999 Total Cash				X X X ..	277,277	21,586	6,051,645	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	3,212,054	4. April	4,222,205	7. July	4,107,937	10. October	5,171,143
2. February	2,585,530	5. May	3,136,812	8. August	5,251,495	11. November	5,835,963
3. March	4,003,542	6. June	4,329,414	9. September	4,522,725	12. December	6,051,645

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Gross Investment Income
N O N E							
0199999 Total Cash Equivalents

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

		1	2	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
		Type of Deposit	Purpose of Deposit	3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
States. Etc.							
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)	B	AR RSD by Ark. Code Ann. 23-63-206			300,652	307,451
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)	B	MS RSD by MS Code Ann. 83-41-325	503,064	514,115		
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)	B	TN RSD by TN INS Code/Title 56-32-212			3,778,174	3,832,056
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CN)						
58.	Aggregate other alien (OT)	X X X	X X X				
59.	Total	X X X	X X X	503,064	514,115	4,078,826	4,139,507
DETAILS OF WRITE-INS							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				

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Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES
December 31, 2007

Prepared in accordance with instructions from TDCI

	Current Quarter	Current Year	Previous Year
	Total	Total	Total
MEMBER MONTHS	215,088	801,183	704,979
REVENUES:			
1. TennCare Capitation	Current Qtr	YTD	
Capitation	-	-	
ASO Administrative fees received	2,513,962	9,328,794	
ASO Medical expense	27,391,877	109,112,756	
Premium Tax Expense	559,448	2,222,230	
2. Adverse Selection	-	-	-
3. Total (Lines 1 and 2)	30,465,287	120,663,780	97,963,731
4. Investment	47,497	211,714	220,120
5. Other Revenue (Provide detail)	-	-	-
6. TOTAL (Lines 3 to 5)	30,512,784	120,875,494	98,183,851
EXPENSES:			
Medical and Hospital Services			
7. Capitated Physician Services	196,845	732,734	606,829
8. Fee for Service Physician Services	10,182,025	39,875,537	31,822,586
9. Inpatient Hospital Services	9,012,364	35,086,767	30,325,593
10. Outpatient Services	3,213,455	13,562,022	9,519,716
11. Emergency Room Services	1,274,337	5,817,219	4,636,656
12. Mental Health Services	-	-	-
13. Dental Services	-	-	-
14. Vision Services	136,014	496,437	424,137
15. Pharmacy Services	-	(325)	-
16. Home Health Services	859,820	2,647,864	1,894,114
17. Chiropractic Services	617	1,616	1,597
18. Radiology Services	775,858	3,634,200	2,445,418
19. Laboratory Services	440,125	1,858,091	1,154,793
20. Durable Medical Equipment Services	553,325	2,136,353	1,917,547
21. Transportation Services	740,786	3,183,857	2,606,332
22. Outside Referrals	-	-	-
23. Medical Incentive Pool and Withhold Adjustments	-	-	-
24. Occupancy, Depreciation and Amortization	-	-	-
25. Other Medical and Hospital Services (Provide Detail)	93,785	324,895	217,965
27. Subtotal (Lines 7 to 26)	27,479,357	109,357,267	87,573,283
LESS:			
28. Net Reinsurance Recoveries	-	-	-
29. Copayments	7,253	23,997	21,886
30. Subrogation and Coordination of Benefits	80,226	220,515	120,874
Subtotal (Lines 27 to 29)	87,480	244,511	142,760
31. TOTAL MEDICAL AND HOSPITAL (Line 26 less 30)	27,391,877	109,112,756	87,430,523
Administration:			
32. Compensation	-	-	-
33. Marketing	-	-	-
34. Interest Expense	-	-	-
35. Premium Tax Expense	559,448	2,222,230	1,710,858
36. Occupancy, Depreciation and Amortization	-	-	-
37. Other Administration (Provide detail) **	2,125,983	8,646,370	8,314,650
38. TOTAL ADMINISTRATION (Lines 32 to 37)	2,685,431	10,868,600	10,025,508
39. TOTAL EXPENSES (Lines 31 and 38)	30,077,308	119,981,356	97,456,031
40. Extraordinary Item	-	-	-
41. Provision for Income Tax	197,131	274,660	247,459
42. NET INCOME/(LOSS) (Line 6 less Lines 39, 40 and 41)	238,345	619,478	480,361

-- Other Administration Detail			
Administration Fees *	2,291,819	8,510,181	8,137,084
Unpaid Claims Adjustment Expense - Change in Reserve	(74,912)	185,688	106,791
ASO Admin Fees	-	-	-
Legal Fees	-	-	-
Accounting Fees	4,770	19,605	28,994
Consulting	4,158	20,559	22,283
Liability Insurance	-	-	(511)
Printing	-	-	25
Dues, Fees & Subscriptions	(33)	367	640
Bank Fees	2,091	11,880	19,344
State Tax	-	-	-
Fines and Penalties	-	-	-
Case Mgmt Fees	-	-	-
TPL Administrative Fees	(101,910)	(101,910)	-
Misc Expenses	-	-	-
Total Other Administration	2,125,983	8,646,370	8,314,650
* Includes Administrative Fees paid to Affiliates			
Other Medical and Hospital			
Misc Medical Expense	-	-	-
Case Management fees	93785	324,895	217,965

Unison Health Plan of Tennessee, Inc.
Reconciliation
NAIC to TN Report 2A
December 31, 2007

Revenue

NAIC	-
add back @ risk reinsurance expense	-
ASO admin fees received	9,328,794
ASO Medical services payments per MSM report	90,001,249
ASO IBNR @ 12/31/07 for DOS in 2007	19,111,507
Premium tax	<u>2,222,230</u>
Revenue per TN report 2A	<u><u>120,663,780</u></u>

Medical Expenses

NAIC	-
add @ risk reinsurance expense	-
ASO claims payments	90,001,249
ASO IBNR @ 12/31/07	<u>19,111,507</u>
Medical Expenses per TN report 2A	<u><u>109,112,756</u></u>

Unison Health Plan of Tennessee, Inc.
Reconciliation
MSM Reports to Report 2A
December 31, 2007

Medical Expense for at Risk business (as reported on NAIC filings)	-
Add Reinsurance Premium for at Risk business	
Payments and remaining IBNR per MSM report for 1/2007-12/2007	<u>109,112,756</u>
total payments and remaining IBNR for 2007	<u><u>109,112,756</u></u>
Medical expenses per TN report 2A	109,112,756
variance	-
	-
	0.00%

Total payments and IBNR for dates of service in 2007 from December 2007 MSM report

Jan-07	10,256,093
Feb-07	8,569,873
Mar-07	8,257,231
Apr-07	8,351,049
May-07	9,197,594
Jun-07	8,982,821
Jul-07	8,940,647
Aug-07	9,794,683
Sep-07	8,601,651
Oct-07	9,993,511
Nov-07	9,639,637
Dec-07	<u>8,527,966</u>
Total	<u><u>109,112,756</u></u>

Barbara V. Scheil and Associates, Ltd.

11462 Rockville Rd. • PO Box 249

Rockville, VA 23146

804-749-4408 • Fax 804-749-4469

February 28, 2008

I, Barbara V. Scheil, Consulting Actuary, am associated with the firm of Barbara V. Scheil and Associates, Ltd. I am a member of the American Academy of Actuaries and have been retained by the Unison Administrative Services (an affiliate of Unison Health Plan of Tennessee) on behalf of Unison Health Plan of Tennessee, Inc. with regard to loss reserves, actuarial liabilities and related items.

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials, as of December 31, 2007. I relied upon underlying records and/or summaries prepared by the responsible officers or employees of the organization. In other respects, my examination included such review of the assumptions and methods used and such tests of the calculations as I considered necessary.

Claims unpaid (Page 3, Line 1)	\$2,841,820
Accrued medical incentive pool and bonus payments (Page 3, Line 2)	0
Unpaid claims adjustment expenses (Page 3, Line 3)	723,464
Aggregate health policy reserves (Page 3, Line 4)	162,070
Aggregate health claim reserves (Page 3, Line 7)	0
Experience rated refunds	0
Any actuarial liabilities included in Page 3, Line 21	0

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- C. Meet the requirements of the laws of Tennessee,
- D. Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,
- E. Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year end, and
- F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was prepared consistent with section 3.6, “Follow-Up Studies,” contained in Actuarial Standard of Practice No. 5, “Incurred Health and Disability Claims” adopted by the Actuarial Standards Board of the American Academy of Actuaries in December 2000.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

Barbara V. Scheil

Barbara V. Scheil, FSA, MAAA

Member of the American Academy of Actuaries



I, Leslie Gelpi, Vice President of Finance, of Unison Administrative Services, LLC, hereby affirm that the listings and summaries, and analyses relating to data prepared for and submitted to Barbara V. Scheil and Associates, Ltd. in support of her actuarial opinion for Unison Health Plan of Tennessee, Inc. as of December 31, 2007, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the statement for the period ended December 31, 2007.

A handwritten signature in blue ink, appearing to read "Leslie A. Gelpi", written over a horizontal line.

Leslie A. Gelpi, Vice President - Finance
Unison Administrative Services, LLC
Unison Plaza
1001 Brinton Road
Pittsburgh, PA 15221
412-858-4145

Barbara V. Scheil and Associates, Ltd.

11462 Rockville Rd., PO Box 249
Rockville, Virginia 23146

March 3, 2008

I, Barbara V. Scheil, am associated with the firm of Barbara V. Scheil and Associates, Ltd. I am a Member of the American Academy of Actuaries and have been retained by Unison Administrative Services, LLC (an affiliate of Unison Health Plan of Tennessee, Inc.) with regard to loss reserves, actuarial liabilities and related items.

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the Medical Loss Ratio Report of Unison Health Plan of Tennessee, Inc. as prepared for filing with Tennessee regulatory officials, as of December 31, 2007.

<u>Item</u>	<u>Amount</u>
Remaining IBNR (for claims incurred through June 30, 2002)*	\$ 0
Other Additional IBNR* (Provision to meet 85% Minimum Loss Ratio Requirement)	264,270
Claims Unpaid	\$ 264,270

*All Regions combined

I relied upon the underlying records and summaries prepared by the responsible officers or employees of Unison Administrative Services, LLC. In other respects, my examination included such review of the assumptions and methods used and such tests of the calculations as I considered necessary.

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

- (i) Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- (ii) Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- (iii) Meet the requirements of the laws of Tennessee,
- (iv) Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of organization under the terms of its contracts and agreements,
- (v) Are computed on the basis of assumptions which are consistent with those used in computing the corresponding items in June 30, 2007, report of Unison Health Plan of Tennessee, Inc., and
- (vi) Include appropriate provision for all actuarial items that ought to be established.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Boards, which standards form the basis of this statement of opinion.

Barbara V. Scheil

Barbara V. Scheil, FSA, MAAA
Member of the American Academy of Actuaries



I, Leslie Gelpi, Vice President of Finance, of Unison Administrative Services, LLC, hereby affirm that the listings and summaries, and analyses relating to data prepared for and submitted to Barbara V. Scheil and Associates, Ltd. in support of her actuarial opinion for Unison Health Plan of Tennessee, Inc. as of December 31, 2007, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the statement for the period ended December 31, 2007.

A handwritten signature in blue ink, appearing to read "Leslie A. Gelpi", written over a horizontal line.

Leslie A. Gelpi, Vice President - Finance
Unison Administrative Services, LLC
Unison Plaza
1001 Brinton Road
Pittsburgh, PA 15221
412-858-4145

Barbara V. Scheil and Associates, Ltd.

11462 Rockville Road
PO Box 249
Rockville, Virginia 23146
804-749-4408

January 16, 2008

I, Barbara V. Scheil, am associated with the firm of Barbara V. Scheil and Associates, Ltd. I am a Member of the American Academy of Actuaries and have been retained by Unison Administrative Services, LLC on behalf of Unison Health Plan of Tennessee, Inc. with regard to loss reserves, actuarial liabilities and related items.

I have examined the assumptions and methods used in determining the item listed below shown in the Medical Services Monitoring Report of Unison Health Plan of Tennessee, Inc., prepared for filing with Tennessee regulatory officials for the December 2007 reporting month.

<u>Item</u>	<u>Total</u>
"Remaining IBNR for Month" (Total)	\$ 19,717,928

I relied on the underlying records and summaries prepared by the responsible officers or employees of Unison Administrative Services, LLC. In other respects, my examination included such review of the assumptions and methods used and tests of the calculations as I considered necessary.

In my opinion, the amounts in Medical Services Monitoring Report on account of the item identified above:

- (i) Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- (ii) Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the report was prepared,
- (iii) Meet the requirements of the laws of Tennessee,
- (iv) Make good and sufficient provision for all unpaid claims incurred under Unison Health Plan's administrative services arrangement with TennCare, and are consistent with the Unison Health Plan's contracts and agreements, and
- (v) Are computed on the basis of assumptions which are consistent with those used in computing the corresponding item in the Medical Services Monitoring Report of Unison Health Plan of Tennessee for the prior month.

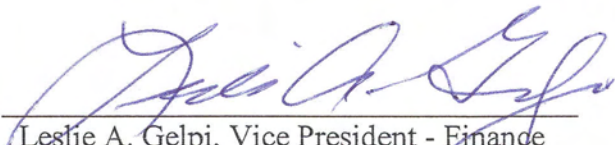
Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.



Barbara V. Scheil, FSA, MAAA
Member of the American Academy of Actuaries



I, Leslie Gelpi, Vice President – Finance of Unison Administrative Services, LLC, hereby affirm that the listings and summaries of data prepared for Unison Health Plan of Tennessee, Inc. and submitted to Barbara V. Scheil and Associates, Ltd. were prepared under my direction and, to the best of my knowledge and belief, are accurate and complete.



Leslie A. Gelpi, Vice President - Finance
Unison Administrative Services, LLC

MEDICAL LOSS RATIO REPORT
CSA 7 NORTHWEST

MCO																								
Unison Health Plan of Tennessee, Inc.																								
Reporting Month		2001						For the Year Ended 6/30/2001	2001						2002						For the Year Ended 6/30/2002			
Dec-07		Incurred Month					Incurred Month						Incurred Month											
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June					
Enrollment								14,516	14,518	14,604	14,505	14,431	14,415	13,936	14,359	14,473	14,592	14,546	14,490	173,386				
TennCare Capitation Payment							0	2,103,750	2,114,232	2,127,329	2,107,513	2,097,553	2,098,415	2,039,674	2,090,642	2,113,466	2,139,243	2,141,483	2,137,179	25,310,477				
Payments for Medical Services for the Month																								
UB 92 Payments by the Claims Processing System		0	0	0	0	6,480	2,228	8,708	332,988	456,763	437,825	476,050	468,257	465,410	584,441	774,495	637,856	671,556	519,407	439,233	6,264,281			
HCFA1500 Payments by the Claims Processing System		0	0	259	259	5,900	10,773	17,191	463,640	598,940	538,432	618,259	595,148	489,569	657,073	654,090	676,656	678,767	674,703	650,409	7,295,686			
Dental Payments by the Claims Processing System		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Capitation Payments							0	97,877	97,318	81,081	91,101	90,931	89,566	85,011	88,394	88,763	89,235	90,431	91,461	1,081,170				
Pharmacy Payments						446	446	283,271	316,330	304,060	349,629	340,026	344,142	400,098	379,243	418,500	437,171	434,459	389,920	4,396,849				
Subcontractor Payments for Medical Services							0													0				
Reinsurance Payment							0	10,791	11,309	11,257	10,993	10,969	11,032	10,429	10,966	11,027	11,182	11,212	11,356	132,522				
Case Management Fees							0													0				
Other Payments/Adjustments to Medical Costs							0	1,041	1,025	2,141	2,083	2,153	2,369	2,434	2,132	(1,106)	1,648	1,870	6,518	24,308				
Less:																								
BHO Capitation Revenue							0													0				
Pharmacy Rebates							0	19,891	20,236	20,241	21,925	22,306	21,601	16,576	17,077	17,798	18,073	17,821	19,564	233,108				
Recoveries not Reflected in Payments by the Claims System							0	0	0	0	0	1,542	2,516	2,516	2,272	4,844	2,322	0	0	16,012				
Total Payments for the month		0	0	259	259	12,380	13,447	26,345	1,169,718	1,461,449	1,354,555	1,526,190	1,483,637	1,377,971	1,720,395	1,889,970	1,809,053	1,869,164	1,714,262	1,569,333	18,945,695			
Recoveries Due to Timing Difference																				0				
Net Payments for the month								1,169,718	1,461,449	1,354,555	1,526,190	1,483,637	1,377,971	1,720,395	1,889,970	1,809,053	1,869,164	1,714,262	1,569,333	18,945,695				
Remaining IBNR for the month								0	0	0	0	0	0	0	0	0	0	0	0	0				
Payments and Remaining IBNR for the month		0	0	259	259	12,380	13,447	26,345	1,169,718	1,461,449	1,354,555	1,526,190	1,483,637	1,377,971	1,720,395	1,889,970	1,809,053	1,869,164	1,714,262	1,569,333	18,945,695			
Medical Loss Ratio								55.6%	69.1%	63.7%	72.4%	70.7%	65.7%	84.3%	90.4%	85.6%	87.4%	80.1%	73.4%	74.9%				

MEDICAL LOSS RATIO REPORT
CSA 12 SHELBY

MCO

Unison Health Plan of Tennessee, Inc.																					
Reporting Month		2001						For the Year Ended	2001						2002						For the Year Ended
Dec-07		Incurred Month						6/30/2001	Incurred Month						Incurred Month						6/30/2002
		January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June		
Enrollment								5,574	6,208	6,636	7,019	7,282	7,554	7,599	8,653	9,019	9,545	10,044	10,331	95,465	
TennCare Capitation Payment								0	807,802	904,071	966,661	1,019,814	1,058,386	1,099,687	1,112,132	1,259,869	1,317,076	1,399,353	1,478,714	1,523,758	13,947,321
Payments for Medical Services for the Month																					
UB 92 Payments by the Claims Processing System		0	0	32	605	0	15,808	16,446	241,165	305,689	323,762	436,043	320,715	385,196	751,004	705,665	640,523	642,121	677,585	472,155	5,901,624
HCFA1500 Payments by the Claims Processing System		0	139	761	2,105	673	651	4,328	135,171	233,295	197,273	279,096	263,694	238,950	361,175	356,245	401,287	375,758	439,283	328,298	3,609,525
Dental Payments by the Claims Processing System		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments								0	29,627	40,294	33,571	45,919	51,744	51,446	51,547	60,214	62,306	64,345	71,011	74,076	636,099
Pharmacy Payments							399	399	110,906	132,099	137,869	167,608	165,491	185,411	204,450	200,771	223,042	233,454	247,268	220,126	2,228,495
Subcontractor Payments for Medical Services								0													0
Reinsurance Payment								0	4,206	4,918	5,181	5,405	5,624	5,844	5,810	6,765	7,007	7,366	7,841	8,279	74,244
Case Management Fees								0													0
Other Payments/Adjustments to Medical Costs								0	400	438	973	1,096	1,139	1,242	1,327	1,285	(689)	1,078	1,291	5,353	14,932
Less:								0													0
BHO Capitation Revenue								0													0
Pharmacy Rebates								0	7,788	8,450	9,178	10,511	10,856	11,638	8,470	9,041	9,486	9,651	10,142	11,286	116,497
Recoveries not Reflected in Payments by the Claims System								0		0	0	0	0	0	0	0	0	0	0	0	0
Total Payments for the month		0	139	793	2,710	673	16,858	21,173	513,687	708,283	689,451	924,656	797,549	856,450	1,366,842	1,321,904	1,323,991	1,314,471	1,434,136	1,097,003	12,348,423
Recoveries Due to Timing Difference																					0
Net Payments for the month								513,687	708,283	689,451	924,656	797,549	856,450	1,366,842	1,321,904	1,323,991	1,314,471	1,434,136	1,097,003	12,348,423	
Remaining IBNR for the month								0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments and Remaining IBNR for the month		0	139	793	2,710	673	16,858	21,173	513,687	708,283	689,451	924,656	797,549	856,450	1,366,842	1,321,904	1,323,991	1,314,471	1,434,136	1,097,003	12,348,423
Medical Loss Ratio									63.6%	78.3%	71.3%	90.7%	75.4%	77.9%	122.9%	104.9%	100.5%	93.9%	97.0%	72.0%	88.5%

MEDICAL LOSS RATIO REPORT
CSA 8 SOUTHWEST

MCO																					
Unison Health Plan of Tennessee, Inc.																					
Reporting Month		2001						For the Year	2001						2002						For the Year
Dec-07		Incurred Month					Ended	Incurred Month					Incurred Month					Ended			
		January	February	March	April	May	June	6/30/2001	July	August	September	October	November	December	January	February	March	April	May	June	6/30/2002
Enrollment									19,735	19,491	19,465	19,485	19,470	19,476	18,732	19,801	19,931	20,024	19,961	20,002	235,573
TennCare Capitation Payment								0	2,860,071	2,838,363	2,835,408	2,831,055	2,829,981	2,835,177	2,741,518	2,882,909	2,910,633	2,935,617	2,938,651	2,950,171	34,389,554
Payments for Medical Services for the Month																					
UB 92 Payments by the Claims Processing System		0	90	0	0	1,588	1,642	3,320	519,734	516,168	439,897	505,231	566,143	534,022	858,755	709,721	703,243	727,839	803,133	742,746	7,626,630
HCFA1500 Payments by the Claims Processing System		0	0	0	0	105	2,386	2,490	503,944	616,239	569,955	683,773	650,053	604,493	721,715	711,459	773,956	807,709	817,887	772,811	8,233,995
Dental Payments by the Claims Processing System		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments								0	128,106	126,966	105,782	116,792	118,708	120,160	112,332	120,415	121,204	120,384	121,963	125,495	1,438,304
Pharmacy Payments						305	305	350,209	376,786	360,834	428,405	402,435	425,440	472,450	473,810	490,549	498,811	509,070	465,300	5,254,098	
Subcontractor Payments for Medical Services								0													
Reinsurance Payment								0	14,122	14,680	14,476	14,296	14,260	14,366	13,569	14,630	14,737	14,877	15,016	15,198	174,228
Case Management Fees																					
Other Payments/Adjustments to Medical Costs								0	1,415	1,386	2,853	2,798	2,915	3,201	3,272	2,940	(1,523)	2,261	2,566	9,740	33,824
Less:																					
BHO Capitation Revenue								0													0
Pharmacy Rebates								0	24,591	24,103	24,020	26,865	26,400	26,704	19,574	21,336	20,863	20,621	20,881	23,650	279,607
Recoveries not Reflected in Payments by the Claims System								0	0	27,889	26,990	27,889	26,990	27,889	27,889	25,190	27,889	26,090	0	0	244,706
Total Payments for the month		0	90	0	0	1,693	4,333	6,115	1,492,940	1,600,232	1,442,786	1,696,540	1,701,123	1,647,089	2,134,629	1,986,450	2,053,413	2,125,169	2,248,753	2,107,641	22,236,765
Recoveries Due to Timing Difference																					0
Net Payments for the month									1,492,940	1,600,232	1,442,786	1,696,540	1,701,123	1,647,089	2,134,629	1,986,450	2,053,413	2,125,169	2,248,753	2,107,641	22,236,765
Remaining IBNR for the month									0	0	0	0	0	0	0	0	0	0	0	0	0
Payments and Remaining IBNR for the month		0	90	0	0	1,693	4,333	6,115	1,492,940	1,600,232	1,442,786	1,696,540	1,701,123	1,647,089	2,134,629	1,986,450	2,053,413	2,125,169	2,248,753	2,107,641	22,236,765
Medical Loss Ratio									52.2%	56.4%	50.9%	59.9%	60.1%	58.1%	77.9%	68.9%	70.5%	72.4%	76.5%	71.4%	64.7%

7,629,950

MEDICAL LOSS RATIO REPORT

West

MCO

Unison Health Plan of Tennessee, Inc.

Reporting Month Dec-07	2001						For the Year Ended 6/30/2001	2001						2002						For the Year Ended 6/30 6/30/2002
	Incurred Month							Incurred Month						Incurred Month						
	January	February	March	April	May	June		July	August	September	October	November	December	January	February	March	April	May	June	
Enrollment	0	0	0	0	0	0	39,825	40,218	40,705	41,009	41,183	41,444	40,267	42,813	43,423	44,160	44,552	44,824	504,424	
TennCare Capitation Payment	0	0	0	0	0	0	5,771,622	5,856,667	5,929,397	5,958,382	5,985,920	6,033,279	5,893,324	6,233,419	6,341,174	6,474,213	6,558,848	6,611,108	73,647,352	
Payments for Medical Services for the Month																				
UB 92 Payments by the Claims Processing System	0	90	32	605	8,068	19,678	28,473	1,093,887	1,278,620	1,201,484	1,417,324	1,355,114	1,384,627	2,194,201	2,189,881	1,981,622	2,041,516	2,000,125	1,654,134	19,792,535
HCFA1500 Payments by the Claims Processing System	0	139	1,019	2,364	6,677	13,810	24,010	1,102,756	1,448,474	1,305,661	1,581,128	1,508,895	1,333,013	1,739,962	1,721,795	1,851,898	1,862,233	1,931,872	1,751,519	19,139,206
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	0	0	0	0	0	0	0	255,609	264,578	220,433	253,812	261,383	261,171	248,890	269,023	272,274	273,963	283,404	291,032	3,155,573
Pharmacy Payments	0	0	0	0	0	1,149	1,149	744,386	825,214	802,762	945,641	907,953	954,992	1,076,998	1,053,824	1,132,091	1,169,436	1,190,797	1,075,347	11,879,442
Subcontractor Payments for Medical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Payment	0	0	0	0	0	0	0	29,119	30,907	30,913	30,694	30,853	31,242	29,807	32,361	32,771	33,425	34,070	34,834	380,995
Case Management Fees **								1,148	3,524	3,018	5,080	10,056	4,313	5,111	6,404	13,311	7,731	16,890	7,693	84,279
Other Payments/Adjustments to Medical Costs	0	0	0	0	0	457	457	2,855	2,849	5,966	5,978	6,207	6,812	7,033	6,357	(3,318)	4,987	5,727	21,610	73,063
Less:																				
BHO Capitation Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pharmacy Rebates	0	0	0	0	0	0	0	52,269	52,789	53,438	59,301	59,563	59,943	44,620	47,454	48,147	48,345	48,844	54,499	629,212
Amount Paid to Methodist **	0	0	0	0	0	0	0	218,064	289,565	252,103	291,762	267,667	231,125	458,782	405,778	347,548	346,841	376,808	287,189	3,773,232
85% MLR Settlement	0	0	0	0	0	0	0	0	0	0	0	0	4,880,459	0	0	0	0	0	0	4,880,459
Recoveries not Reflected in Payments by the Claims System	0	0	0	0	0	0	0	27,889	26,990	27,889	28,532	30,405	30,405	27,463	32,733	28,412	0	0	0	260,719
Total Payments for the month	0	229	1,052	2,969	14,745	35,095	54,089	3,395,556	4,063,053	3,741,912	4,444,228	4,260,033	8,997,407	5,685,759	5,610,506	5,547,316	5,663,376	5,790,849	5,068,858	62,268,853
Recoveries Due to Timing Difference **																			69,760	69,760
Net Payments for the month	0	229	1,052	2,969	14,745	35,095	54,089	3,395,556	4,063,053	3,741,912	4,444,228	4,260,033	8,997,407	5,685,759	5,610,506	5,547,316	5,663,376	5,790,849	5,138,618	62,338,613
IBNP for Pending Settlements **								0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining IBNR for the month **								0	0	0	0	0	0	0	0	0	0	0	0	0
Payments and Remaining IBNR for the month	0	229	1,052	2,969	14,745	35,095	54,089	3,395,556	4,063,053	3,741,912	4,444,228	4,260,033	8,997,407	5,685,759	5,610,506	5,547,316	5,663,376	5,790,849	5,138,618	62,338,613

Grand Total

Medical Loss Ratio

								58.8%	69.4%	63.1%	74.6%	71.2%	149.1%	96.5%	90.0%	87.5%	87.5%	88.3%	77.7%	84.6%
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IBNR for Methodist

Other Additional IBNR

Total IBNR to meet 85%

0
264,270
264,270

Subtotal IBNR

264,270

Total IBNR, Payments and Additional Reserve

62,602,883

Final Medical Loss Ratio

85.0%

** These amounts cannot be allocated by CSA

MEDICAL LOSS RATIO REPORT

All Regions

MCO

Unison Health Plan of Tennessee, Inc.

Reporting Month Dec-07	2001 Incurred Month						For the Year Ended 6/30/2001	2001 Incurred Month						2002 Incurred Month						For the Year Ended 6/30 6/30/2002
	January	February	March	April	May	June		July	August	September	October	November	December	January	February	March	April	May	June	
Enrollment	0	0	0	0	0	0		39,825	40,218	40,705	41,009	41,183	41,444	40,267	42,813	43,423	44,160	44,552	44,824	504,424
TennCare Capitation Payment	0	0	0	0	0	0	0	5,771,622	5,856,667	5,929,397	5,958,382	5,985,920	6,033,279	5,893,324	6,233,419	6,341,174	6,474,213	6,558,848	6,611,108	73,647,352
Payments for Medical Services for the Month																				
UB 92 Payments by the Claims Processing System	0	90	32	605	8,068	19,678	28,473	1,093,887	1,278,620	1,201,484	1,417,324	1,355,114	1,384,627	2,194,201	2,189,881	1,981,622	2,041,516	2,000,125	1,654,134	19,792,535
HCFA1500 Payments by the Claims Processing System	0	139	1,019	2,364	6,677	13,810	24,010	1,102,756	1,448,474	1,305,661	1,581,128	1,508,895	1,333,013	1,739,962	1,721,795	1,851,898	1,862,233	1,931,872	1,751,519	19,139,206
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	0	0	0	0	0	0	0	255,609	264,578	220,433	253,812	261,383	261,171	248,890	269,023	272,274	273,963	283,404	291,032	3,155,573
Pharmacy Payments	0	0	0	0	0	1,149	1,149	744,386	825,214	802,762	945,641	907,953	954,992	1,076,998	1,053,824	1,132,091	1,169,436	1,190,797	1,075,347	11,879,442
Subcontractor Payments for Medical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reinsurance Payment	0	0	0	0	0	0	0	29,119	30,907	30,913	30,694	30,853	31,242	29,807	32,361	32,771	33,425	34,070	34,834	380,995
Case Management Fees **								1,148	3,524	3,018	5,080	10,056	4,313	5,111	6,404	13,311	7,731	16,890	7,693	84,279
Other Payments/Adjustments to Medical Costs	0	0	0	0	0	457	457	2,855	2,849	5,966	5,978	6,207	6,812	7,033	6,357	(3,318)	4,987	5,727	21,610	73,063
Less:																				0.00
BHO Capitation Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pharmacy Rebates	0	0	0	0	0	0	0	52,269	52,789	53,438	59,301	59,563	59,943	44,620	47,454	48,147	48,345	48,844	54,499	629,212
Amount Paid to Methodist **	0	0	0	0	0	0	0	218,064	289,565	252,103	291,762	267,667	231,125	458,782	405,778	347,548	346,841	376,808	287,189	3,773,232
85% MLR Settlement	0	0	0	0	0	0	0	0	0	0	0	0	4,880,459	0	0	0	0	0	0	4,880,459
Recoveries not Reflected in Payments by the Claims System	0	0	0	0	0	0	0	27,889	26,990	27,889	28,532	30,405	30,405	27,463	32,733	28,412	0	0	0	260,719
Total Payments for the month	0	229	1,052	2,969	14,745	35,095	54,089	3,395,556	4,063,053	3,741,912	4,444,228	4,260,033	8,997,407	5,685,759	5,610,506	5,547,316	5,663,376	5,790,849	5,068,858	62,268,853
Recoveries Due to Timing Difference **																			69,760	69,760
Net Payments for the month	0	229	1,052	2,969	14,745	35,095	54,089	3,395,556	4,063,053	3,741,912	4,444,228	4,260,033	8,997,407	5,685,759	5,610,506	5,547,316	5,663,376	5,790,849	5,138,618	62,338,613
IBNP for Pending Settlements **								0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining IBNR for the month **					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments and Remaining IBNR for the month	0	229	1,052	2,969	14,745	35,095	54,089	3,395,556	4,063,053	3,741,912	4,444,228	4,260,033	8,997,407	5,685,759	5,610,506	5,547,316	5,663,376	5,790,849	5,138,618	62,338,613

Grand Total

Medical Loss Ratio

								58.8%	69.4%	63.1%	74.6%	71.2%	149.1%	96.5%	90.0%	87.5%	87.5%	88.3%	77.7%	84.6%
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IBNR for Methodist

Other Additional IBNR

Total IBNR to meet 85%

0
264,270
264,270

Subtotal IBNR

264,270

Total IBNR, Payments and Additional Reserve

62,602,883

Final Medical Loss Ratio

85.0%

** These amounts cannot be allocated by CSA

Medical Services Monitoring Report
Capital Budget

MCO		Reporting 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